NRA NEWS

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PREMIER ISSUE

NATIONAL RESTAURANT ASSOCIATION's New Combined Publication

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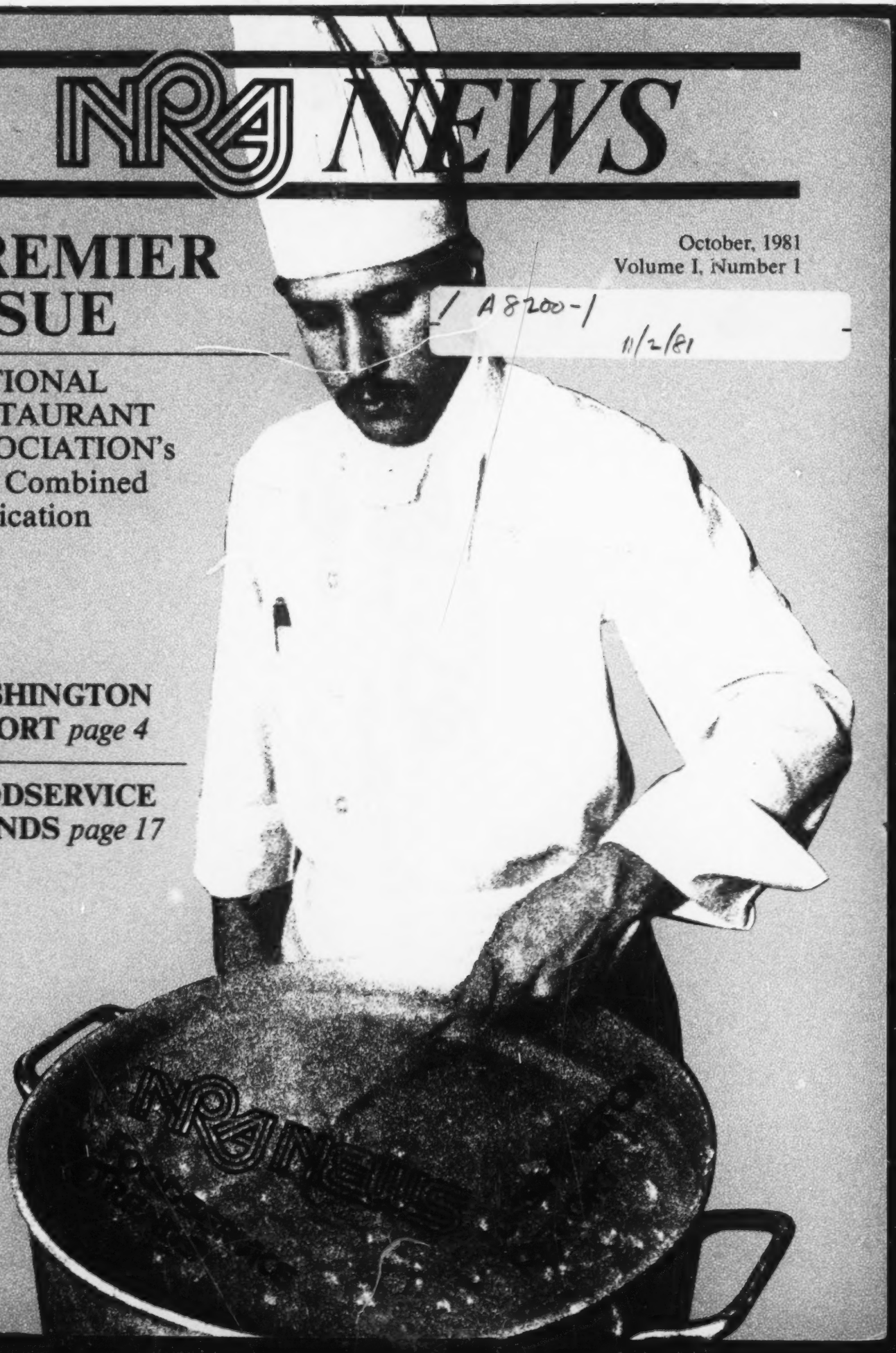
FOODSERVICE TRENDS *page 17*



A Grand Opening...

This first issue of *NRA News* in a contemporary, comprehensive format was developed a lot like your own house specialty recipe. First, the family liked it. Then we refined it for wider tastes. And though the future will bring changes, we're now ready to serve it to you.

As our front cover illustrates, what we've done is combine the features you've been receiving in *Washington Report, Foodservice Trends* and the tabloid *NRA News*. This has several advantages for NRA members. Each month you will receive integrated information on association activities, federal and state laws and regulations, industry performance and consumer trends. You'll get the big picture in one convenient package.

Each member firm will also receive weekly *Washington Updates* directly from the Government Relations Department at no additional cost.

The new *NRA News* will be sent to all members as part of the services paid for by their association dues. The higher the dues, the more copies a company can receive. We've also got good news for subscribers. In the past, a subscription to *Washington Report, Foodservices Trends* and the tabloid *NRA News* was valued at $150. Now, they're available to you each month for just a $100 membership.

As with any new product, we want and expect your comments. *NRA News* should be the place you turn for the kinds of industry and association information it takes to be successful in today's competitive marketplace. Let us know what you think. We'll look forward to learning how we can meet your needs in the months ahead.

Sincerely,

Walter Conti

Walter Conti
Chairman

NRA NEWS

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SHORT ORDERS

Work-Study deadline set for November 1

Any foodservice educator or administrator interested in applying for the 1982 NRA/NIFI Teacher Work-Study Grant program must do so before the Nov. 1, 1981, deadline. Thirty $1500 grants will be awarded to qualified applicants in December.

Grant recipients will work in a foodservice facility for a minimum eight-week period to refresh their skills and update their awareness of industry trends. For information, write to NIFI, 20 N. Wacker Dr., Chicago, Ill. 60606.

New NRA computer to benefit members

NRA's newly activated computer system—Data Deli—has the capability to provide members with the most complete and up-to-date information available on everything from book orders to congressional legislation.

The new NRA system is 10 times larger in storage capacity and five times faster than the system previously used. All membership information will be stored in the computer, and a complete three-year plan has been designed so NRA departments will be able to program information into the system.

NRA members will benefit from Data Deli's ability to provide vital congressional voting records, lists of show exhibitors, delivery of EMC orders and simplified seminar registration. Additional ways to better serve members are also currently being explored.

Market Research Handbook

NRA's Market Research for the Restaurateur—designed to assist the non-professional in understanding successful market research techniques—is now available through the Educational Materials Department.

Included in this handbook are step-by-step instructions, sample work sheets and analysis forms to help operators make operational and promotional decisions. The book also contains the "NRA Consumer Attitude Survey" which will show you how consumers perceive your restaurant. (Completed questionnaires should be sent to the NRA for computer analysis. A report will then be returned to the operator.)

NRA member price is $17.50; for non-members, $35.00. To order, contact the Educational Materials Department, 202/638-6100.

Check mailing label for correct information

Does the mailing label on this publication contain the correct information? If not, you might be missing some important membership announcements and notices. Your mailing label serves as your official membership listing within all NRA departments.

Send any changes, along with your present label, to Eloise Bailey, NRA Membership Department, 311 First St., N.W., Washington, D.C. 20001

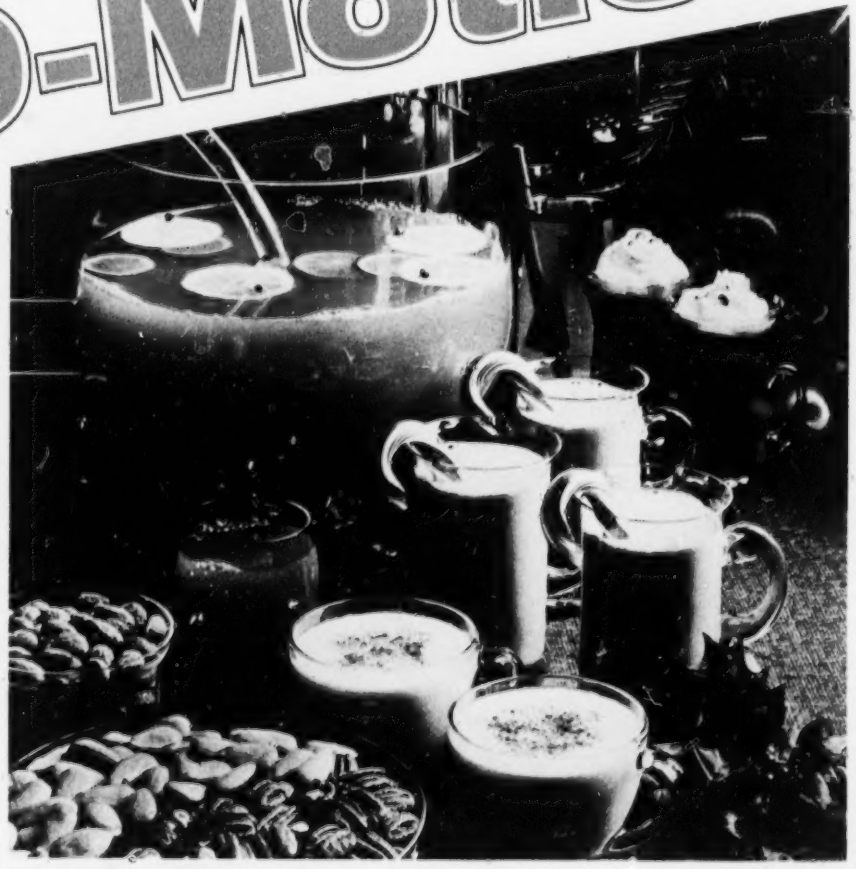
Entries available for '82 menu contest

Entry forms are now available for the 1982 NRA Great Menu Awards competition.

What makes a great menu? The experts have mixed opinions. According to NRA Chairman Walter Conti, "A menu must be imaginative, readable, original and creative. The public is demanding choice, and a restaurant must reflect this trend in its menu selection." And said NRA Director Ted Balestreri, "A menu must be straightforward and clear. Customers don't like to see confusing menus. The less complicated, accurate menu is becoming the trend."

What do you think? Let us know by entering your menu in this year's competition. Menus will be judged for appearance, selling power, readability and originality. Any owner or operator of a foodservice establishment is eligible to enter. For information and entry forms, contact Elyse Cuttler, 202/638-6100.

PRO-Motion



PRO-Motion boosts business, interest

If you subscribe today you won't miss a single issue of PRO-Motion, NRA's new promotional newsletter.

The next edition focuses on the holiday season and includes ideas for building interest, excitement, customer counts and profits. Contests, menu additions, decorations, advertising tips, public service events and demonstrations are just some of the techniques covered. In addition, there will be a special section on attracting and serving parties and banquets. The cost of a subscription for NRA members is specially priced at $12 per year (six issues); non-members pay $60 per year. For subscription information, contact Elyse Cuttler, 202/638-6100.

WASHINGTON REPORT

NRA sees benefits of ongoing effort for regulatory relief

NRA is beginning to see some action on the list of "burdensome, unnecessary or counterproductive" regulations it presented to the Reagan Administration last spring.

Included on the list NRA submitted to the President's Task Force on regulatory relief were Department of Labor rules regarding uniform maintenance requirements, exempt managers, meal credit procedures and USDA rules regarding central kitchen and enforcement of the Perishable Agricultural Commodities Act.

The first victory came when DOL yielded to NRA arguments and ruled that employers are no longer required to reimburse employees for maintenance of "wash and wear" uniforms. This decision, which had been sought for five years, will save industry members over half a billion dollars annually. (See "The Law" on page 12.)

War on federal regulations

The Reagan Administration has given high priority to regulatory relief, which is considered one of the keys to the President's economic recovery plan.

In a February economic address to congress, the President noted that expenditures for the major regulatory agencies quadrupled between 1970 and 1979. During that period, the number of pages published annually in the *Federal Register* almost tripled, and the number of pages in the Code of Federal Regulations increased by nearly two-thirds.

Individuals paid for the budgetary costs of these excessive regulations through higher taxes, while regulatory compliance costs by businesses added billions of dollars per year to the price of goods and services.

In a recent statement to the Task Force on regulatory relief, NRA President Robert Bradford said, "Federal agencies send out over 10,000 different forms a year, and business spends an estimated $20 billion completing them. The annual cost to consumers of all these regulatory activities is over $100 billion, according to an Arthur Anderson study done for the Businesses Roundtable in 1979."

Addressing this problem, President Reagan initiated the following actions.

- **Establishment of the Task Force on regulatory relief.** On Jan. 29, the President created the cabinet-level Task Force, chaired by Vice President Bush. The Task Force reviews proposed regulations, assesses existing regulations with an eye toward revision and coordinates proposals for legislative change.

- **Postponement of pending regulations.** On Jan. 29, the President requested the heads of 12 federal departments and agencies postpone the effective date of regulations scheduled to go into effect before Mar. 29 and refrain from issuing any new final regulations during the same 60-day period. (These include more than 100 "midnight regulations" promulgated during the final days of the Carter Administration.) Sixty-three regulations were found to need modification or elimination.

Among the frozen regulations was a DOL salary test change calling for a 45% increase in the minimum salary for executive and administrative employees exempt from federal overtime requirements. This ruling—ordered during the last days of the Carter Administration—would have affected many restaurant employers. Efforts by the NRA and state restaurant associations were influential in persuading the Administration to stay the salary test increase.

- **Signing of Executive Order 12291.** An executive order to produce better regulations signed on Feb. 14 by the President 1) set forth Reagan's regulatory principles; 2) directed agencies to determine the most cost-effective approach for meeting any regulatory objective; 3) required that agencies prepare Regulatory Impact Analyses to evaluate the potential benefits and cost of their major regulatory proposals; and 4) established the pre-eminence

of the Presidential Task Force in spearheading the Administration's regulatory relief efforts.

Billions of dollars in savings

As a result of these changes and initiatives, the Administration has made substantial progress in regulatory relief. The White House says that regulatory relief measures announced during the first 100 days of its program have the potential for a one-time savings of $15 to $18 billion and annual savings of $5.5 to $6 billion.

Since Jan. 20, more than 180 regulations have been withdrawn, modified or reviewed. Also, half the rules published daily in the *Federal Register* have been cut, with the number of pages down one-third.

Businesses, citizens and local governments have sent more than 2,500 suggestions and comments to the Task Force, citing specific regulations that need to be changed or eliminated. Most have or are being reviewed by the Office of Management and Budget. Already, several have been referred to appropriate agencies for revision, including the 30 announced by Vice President Bush last August.

One example of regulatory action taken by the Administration is the Secretary of Energy's withdrawal of proposed standby energy conservation measures involving a compressed work week, vehicle stickers and commuter and travel measures concerning working hours and transit subsidies. In addition, the Secretary proposed to withdraw some interim final measures, including two strongly opposed by NRA: odd-even day motor fuel purchases and mandatory temperature control restrictions.

According to Vice President Bush, the Task Force's actions are part of a continuing effort. "These are not, by a long shot, the last regulations to be targeted for review. They represent only the beginning of the process—a process we will vigorously pursue in the months and years ahead."

The vice president also announced that the Task Force will begin to look closely at regulatory relief for small businesses. "This critical sector of the economy deserves special attention," he said. "We have made a great effort to address the concerns of small businesses and have taken action on seven of the 10 regulations most mentioned by small businesses in response to my March letter."

Bush also said the Task Force, in conjunction with the Department of Commerce and the Small Business Administration, is launching a major effort to identify additional problems affecting small businesses and to act on those where regulatory relief can be of assistance.

With plans to continue both its cooperative relationship with the Task Force and its own efforts to change burdensome rules, NRA said in a statement to the vice president: "We encourage the Presidential Task Force on regulatory relief to examine the underlying causes of this regulatory explosion and to issue recommendations for sunset provisions which might lead us to less burdensome days for freer enterprise."

Exempt managers, meal credits and central kitchens top NRA's "hit list"

The NRA has developed its own "hit list" of federal regulations it would like the President's Task Force on regulatory relief to review. In the last six months, the Association has submitted several statements to the Task Force, attacking the following regulations:

- **Exempt managers.** Last year the Department of Labor abruptly decided that in a restaurant only one person, the top manager, is qualified for an exemption from the wage and hour laws. This arbitrary decision was made despite the department's own ruling which allows certain supervisors—particularly those being paid $250 or more weekly—to work with their hands in production and sales more than 50% of the time and still be exempt. Under this DOL regulation, it is reasonable to assume that a restaurant manager, assistant manager or division head (such as a chef) could qualify for the exemption and be paid a salary. NRA continues to protest this change.

- **Meal credits.** Minimum wage law provides that if a foodservice operator furnishes meals to his employees, he can take a meal credit against the cash wage to cover the cost of the food and preparation. The law attaches no conditions to the taking of this meal credit. However, DOL has adopted a new policy to "clarify" the meal credit in a way that changes the law completely. Through an enforcement "opinion," department bureaucrats now maintain that an employer cannot take a meal credit without 1) getting permission from his employees, and 2) keeping records of the cost of every meal eaten by each worker. Although a recent court case has cast doubt on these requirements, DOL, by and large, continues to enforce the credit in this arbitrary and illegal fashion.

- **Central kitchens.** A central kitchen is frequently used in a situation where two or more restaurants—located in close proximity—are owned by one company. Prepared entrees and bakery products produced in the kitchen are then sold directly to individual customers at the several locations. The U.S. Department of Agriculture has taken the position that if the central kitchen serves more than one restaurant, it must comply with USDA inspection, labeling and prior formulae approval requirements. NRA contends that central kitchens should be exempt from these requirements which 1) are unnecessary, 2) place an unreasonable paperwork and cost burden on restaurants and 3) increase government expenses and costs to the consuming public.

Talking taxes with

BARBER CONABLE

U.S. Rep. Barber Conable (R-NY) is the ranking Republican on the powerful House Committee on Ways and Means, which considers legislation on taxation, social security, welfare and international trade. The nine-term congressman from western New York was instrumental in shepherding President Reagan's Economic Recovery Tax Act through the House of Representatives.

Conable is considered one of the most intelligent and articulate members of the Ways and Means Committee. Only hours after President Reagan's historic tax cut victory on Aug. 4, NRA News spoke with the congressman.

NRA: Are you pleased with the bill that was passed?
Conable: Yes. I think that if I'd drawn the bill myself, I might have done it somewhat differently. But considering the number of people that had to participate and the number of institutions involved, I'd say that I can be much more satisfied with the results of this measure than most others that I finally vote for.

NRA: Will this tax bill turn the economy around, as President Reagan hopes it will?
Conable: At first, this will depend on more than the President's program. Millions of independent economic decisions made in the private sector, as well as the whole world economic environment, will also have an impact. But in the long run, the effects of what Reagan has done are likely to be better than any economic program we've had for a long time. This shift in direction will be a liberating force in the economy rather than a constricting or harassing force. So, I feel good about it. I'm optimistic. But I must say that the results are not going to be immediate.

NRA: What kind of shifts can we expect to see in the economy because of this bill, and when can we expect to see them?
Conable: Since everything is going to be relative to what would have happened if we hadn't had this type of

program, it's difficult to say when the advantages are going to begin and when they're going to become apparent. That will be affected by many other factors.

My impression is that the effect of what we are doing will mean greater investments, greater savings and a greater willingness to take risks in a society that will depend more on economic risk-taking than it has in a long time. And as those decisions are made and put together—with plans based on what will be a stable tax environment—you'll begin to get some pick-up over what would have happened to the economy. I think that we've maximized the chances for economic success with this bill.

NRA: Turning to the business provisions of the tax bill, are there measures that address small business?
Conable: The bill—which actually addresses small business more than large business—reduces the two bottom levels in the graduated corporate income tax for small business. Individual proprietorships and small businesses will benefit from our capital cost recovery system and investment tax credit as well. We also provide for some inventory adjustments, making it possible for small business to use LIFO (last in, first out) accounting inventory.

NRA: Will the reduction in the estate tax also help the small businessman?
Conable: Yes. Changes in the estate tax were generally viewed as being primarily for the benefit of farmers and small business.

Also, individual rate reductions are of considerable benefit to small businessmen because most take whatever profits they make in individual income, either through salaries or to some degree, dividends.

NRA: How about capital formation? That's a problem for restaurants, too.
Conable: That's another thing about small business. Since the accumulated earnings credit was raised to $250,000, it means that a growing small business will be able to accumulate more capital without having to assign a reason for it. This gives them more flexibility in their growth.

Also, any increase in the savings rate is advantageous to small business. Clearly, a small businessman who doesn't want to go into a Keogh retirement plan now is going to be in a position to at least have an Individual Retirement Account (IRA). It will give him the benefit of income tax deferral that previously was available to those on qualified pension plans, which many small businesses don't have.

NRA: Isn't replacing the useful life concept with the new capital cost recovery system an extraordinary change?
Conable: Yes, it is. It means that in a time of high capital costs, you don't have to keep your capital tied up nearly as long as you used to. The equipment that a restaurant owner would have had to write off over 20 or 25 years can now be written off in five years. That means that the apparent profit will be reduced, but the after-tax cash flow will be increased. And again, it provides more flexibility for business investment and operating purposes.

NRA: What about indexing?
Conable: That changes the whole mode of taxation. After three years of reducing the tax rates, we then index, beginning in 1985. This will have a tremendous impact on tax policy as well as fiscal policy. It will deny the government the fiscal dividend that comes from people moving into a higher bracket as a result of inflation. After 1985, as the cost of living goes up, so will the point at which Americans move into a higher bracket. When this happens, the government will be denied that extra $40 to $60 billion in tax revenue it now automatically receives as a result of bracket creep. Tax revenue will only increase in real terms through an affirmative tax increase or real economic growth.

NRA: Going beyond this tax bill, what other tax-related issues do you see coming up?
Conable: The next thing we've got to deal with is social security, also of interest to small businessmen. Unless we can stabilize that, payroll taxes will continue to go up.

NRA: Will something be done about it this year?
Conable: I think so. This is the first year of a tough President's four-year term, so I expect to see some leadership on this. This is also a non-congressional election year, so congress should be willing to pay more heed than it otherwise would. More importantly, the social security system is faced with a short-term financial crisis, which provides us with a legitimate reason for considering legislation. Therefore, we have the opportunity to deal with both short-term and long-term problems this year.

NRA: What do you favor?
Conable: Well, there are a lot of options, and I don't really care which one we adopt. There are three general categories. The first is that we've got to suppress the growth of benefits, particularly ones that are welfare-related. I'm not saying cut back; I'm saying suppress their growth for the future. Second, we can reallocate the payroll tax. Something like Medicare, for instance, would go into the general treasury so more money could be put into social security without raising the payroll tax. And third, you have to encourage people to work longer. That can be done by mandating an increase in the retirement age or providing an incentive to postpone retirment, by either eliminating the earned income credit or giving people an income tax credit equivalent to the social security benefits they'd draw if they quit working. Either way, you make the decision to retire tax neutral.

NRA: Looking ahead, do you think we'll see a balanced budget within the next four years?
Conable: While I think it's going to be difficult, it's possible. There will be more efforts to cut budgets. But I'm confident that Reagan will do it. He seems to be a man who does what he says he's going to do.

WASHINGTON REPORT

Tax cut bill: Its effect on the industry

NRA lobbied for the Economic Recovery Tax Act of 1981, which passed by congress with surprising speed. Some have argued that the bill represents the most decisive shift in tax and economic philosophy in 50 years.

How will provisions of the act affect the foodservice industry?

Tax reductions for individuals. Effective Oct. 1, 1981, individual income taxes were reduced by 5%. Since this applies only to the last quarter of 1981, the effective reduction for this year's taxes is 1.25%. Additional reductions of 10% in 1982 and 1983 will result in cumulative reductions of 10% in 1982 and 19% in 1983. Individual tax rates will be indexed so that the zero bracket amount and the personal exemption are adjusted to reflect annual increases in the consumer price index (CPI), beginning with the 1985 tax year. For example, if the CPI goes up 10% during the preceding year and the lowest tax bracket is $3,400 to $5,500, those figures would be increased to $3,740 and $6,050, respectively, to reflect the 10% increase in the CPI. Tax rates would remain the same.

Top tax rate reduced. As of Jan. 1, 1982, the top individual tax rate is reduced from 70% to 50%, and the distinction between personal service and investment income is removed.

Gains are reduced. The top tax rate for individuals on long-term capital gains is reduced from 28% to 20%. The corporate capital gains rate is unchanged. The one-year holding requirement for long-term capital gain or loss is unchanged. The maximum 20% rate on net capital gains will apply to *sales or exchanges occurring after June 8, 1981.*

Keogh plans. The deduction limit for employer contributions to a defined Keogh plan, a defined contribution plan by a Subchapter S corporation or to a simplified employee pension (SEP) is increased from $7,500 to $15,000. The includable compensation limit is increased from $100,000 to $200,000, but where annual compensation over $100,000 is taken into account, employer contributions cannot be less than 7.5% of any employee participant's compensation.

Individual Retirement Accounts (IRA). The amount an individual can deduct is increased from $1,500 (or 15% of compensation) to the lesser of $2,000 (or 100% of compensation). For spousal IRA's, the allowable deduction for contribution to an IRA is increased from $1,750 to $2,250. An employee who is an active participant in an employer-sponsored plan may now also establish an IRA and make deductible contributions to the employer's plan.

Estate and gift taxes. The Act eliminates all quantity limitations on gift and estate tax marital deductions. All qualifying transfers between spouses (including community property) pass free of gift and estate taxes. Husband and wife are now considered one economic unit, as they are for income taxes. Each spouse is to be treated as one-half owner of jointly held property regardless of which spouse paid for it. The annual gift tax exclusion is increased from $3,000 to $10,000, and the unified credit is gradually increased over a six-year period from $62,800 in 1982 to $192,800 in 1987. Gift and estate tax transfers up to $600,000 will be free of tax, starting in 1987.

Accelerated cost recovery system (ACRS). ACRS replaces the Asset Depreciation Range System (ADRS) for recouping capital outlays made after Dec. 31, 1980. "Useful life" is no longer a factor. Businesses can write-off an asset over three, five, 10 or 15 years. Assets are classified as follows:

3 year:
All machinery and equipment that had a depreciation range up to four years under old law; autos, light trucks; equipment used in R&D; certain pollution control equipment. A one-time 6% investment credit is allowed.

5 year:
All other machinery and equipment. A 10% investment credit applies.

10 year:
Public utility property with current depreciation range of 18.5 to 25 years; theme park property; railroad tank cars. A 10% investment credit applies.

15 year:
Buildings; public utility property with current depreciation range over 25 years. A 10% investment applies *only* on public property.

The allowable rate of depreciation for all classes of property, except real estate, increases for property placed in service in 1985 with further increases in the rate provided after 1985. For real property (other than low-income rental housing), the deductions approximate use of 175% declining balance for the early years and the straight-line method for later years. Taxpayers may elect to use straight-line depreciation in lieu of ACRS. Gains or losses are recognized upon disposition of recovery property. Small businesses may expense the cost of new or used personal property up to $5,000 per year in 1982 or 1983; $7,500, in 1984 and 1985; and $10,000, in years after 1985.

Used property. A $100,000 limit on used property eligible for the investment credit is increased to $125,000 for taxable years 1981 through 1984 and to $150,000 for subsequent years.

Rehabilitation credit. Buildings do not qualify for the investment credit as a general rule, but the credit was extended in 1978 to rehabilitation of nonresidential structures in use for at least 20 years. The new act revises and extends this provision to allow a 15% investment credit for rehabilitation

expenses of structures at least 30 years old, 20% for structures at least 40 years old and 25% for certified historic structures. The law is also changed to provide that the tax basis of the building must be reduced by the amount of the tax credit. Transitional rules are provided for rehabilitation expenditures qualifying under prior law, but not under this act.

Targeted Jobs Tax Credit (TJTC). The TJTC is extended one year. See earlier *Washington Reports* for more details.

Accumulated earnings tax. The minimum accumulated earnings credit is increased to $250,000—except for service corporations in health, law, engineering, architecture, accounting, actuarial science, performing arts and consulting—effective in taxable years after 1981.

Subchapter S corporations. The number of permitted shareholders is increased from 15 to 25.

LIFO inventory. Businesses with average gross receipts of less than $2 million for three years, ending with the taxable year, may elect one inventory pool for purposes of dollar value LIFO inventory accounting. The act allows the income-increasing adjustment to be included in income rated over a three-year period, beginning with the year of LIFO election. This eliminates the need for filing an amended return upon electing LIFO. This section of the act is effective after December 31, 1981.

Corporate rate reductions. Under prior law, corporate rates were:

Taxable income	Percent
Less than $25,000	17
25,000 - 50,000	20
50,000 - 75,000	30
75,000 - 100,000	40
Over 100,000	46

The Act reduces corporate taxes on income in 1982 to 16% for less than $25,000 and 19% for $25,000 to $50,000. In 1983, the rate drops to 15% for less than $25,000 and to 18% for $25,000 to $50,000.

Visible NRA logo helps lobbying effort

There has been an overwhelming response to a request by NRA President Robert Bradford that the membership display the Association decal in their restaurants. His request went out to 1600 members, and within three days, the NRA received 478 letters ordering a total of 7,000 stickers. And we look forward to more requests.

In mid-August, Bradford sent a test letter to 1600 companies. He asked that later this year they display the 1982 membership decal in all their restaurant facilities—on the front door, on a window, near the cash register or wherever they think best.

And then Bradford explained the value of doing this. "Anytime a congressman, senator, or their staffers see the NRA logo it helps us in our lobbying efforts on the Hill. Sometimes they'll be familiar with the NRA membership decal displayed in Washington. Seeing it back home makes a connection for them between their constituents and all of us in the Association. Suddenly, we have a warmer greeting when we call the Hill staff or when we testify in committee for something you need. The same is true when we deal with the many federal regulatory agencies."

This message made a lot of sense to a lot of people. Tom Cooney of the A & W Motor Restaurants said, "I simply never looked at the value of the NRA decal as described in your letter of Aug. 12, 1981. Thank you for calling this to my attention." And Sonny Look of Look's Sir-Loin House, Inc. thought it was such a good idea that he said, "I will ask all NRA members in my area to do the same."

In his letter, Bradford explained that visibility is the number one requirement for increasing the grassroots political effectiveness of the NRA. Use of the NRA decal is an excellent way to achieve this visibility.

The order blank will allow you to order as many NRA decals as you need. There is no cost to you...only a benefit for displaying it.

Please send _____ NRA membership decals to the address below:

Name _____

Company _____

Address _____

City _____ **State** _____ **Zip** _____

Mail to:

NRA Membership Department

311 First St., N.W.

Washington, D.C. 20001

WASHINGTON REPORT

Decontrol of natural gas

NRA is carefully monitoring the debate concerning the removal of price controls on natural gas. Lifting of controls at the wrong moment could double the gas bills paid by restaurant operators.

NRA favors gradual decontrol of natural gas prices if supplies continue to be plentiful. However, the association would favor lifting the controls if supplies become limited, believing that free market forces are best at allocating scarce resources.

Under current law, gas controls will be gradually phased out by 1985. But pressure is mounting from the White House and producer groups to accelerate that schedule. Proponents of decontrol argue that the higher prices that would most likely result from deregulation would mean higher profits. And higher profits, they say, would encourage exploration and production of this valuable resource.

The Reagan Administration favors immediate decontrol but is afraid of the political backlash. Experts say that the price of natural gas would double or even triple if decontrol were ended now, and natural gas producer revenues would be raised by an estimated $40 billion.

According to a 1980 *Restaurant Business Magazine*/Natural Gas Association survey, 66% of those responding said they rely on natural gas for cooking purposes; 64% use natural gas as the main fuel to heat hot water; and 60% depend on natural gas to heat both kitchen and dining areas.

National Gas Association (NGA) studies also indicate that immediate and total gas price decontrol would, on the average, increase the cooking costs of a commercial gas-fired kitchen from $7,200 per year to $14,400 per year. In addition, the total cost to consumers of immediate price decontrol is estimated at $60 billion.

Furthermore, NGA predicts that the huge cost of decontrolled gas would decrease total gas demand by about 10% and possibly cause a switch to oil, resulting in increased oil imports by some 800,000 barrels a day.

Though President Reagan would like to accelerate the decontrol process, it is not a decision he can make by himself. Any change in the Natural Gas Policy Act of 1978, which calls for phased decontrol of natural gas wellhead prices through 1985, must be approved by congress. With the stakes so high, many congressmen have vowed to fight any gas decontrol legislation, and it is doubtful any action will be taken this year.

Senate Energy Committee Chairman James A. McClure (R-ID), who supports eventual decontrol, has said he would rather not take up gas pricing until 1982 at the earliest. And according to John D. Dingell (D-MI), chairman of the House of Energy and Commerce Committee and an opponent of decontrol, the 1978 gradual decontrol law he helped write is working well.

Political education to boost awareness, clout of foodservice industry

Increased efforts to boost the political awareness of restaurateurs and the political clout of the foodservice industry—a top, continuing priority of the NRA Board—has generated the formation of a Political Education Committee (PEC), chaired by NRA Director Michael O'Neal (The Ginger Man, New York City).

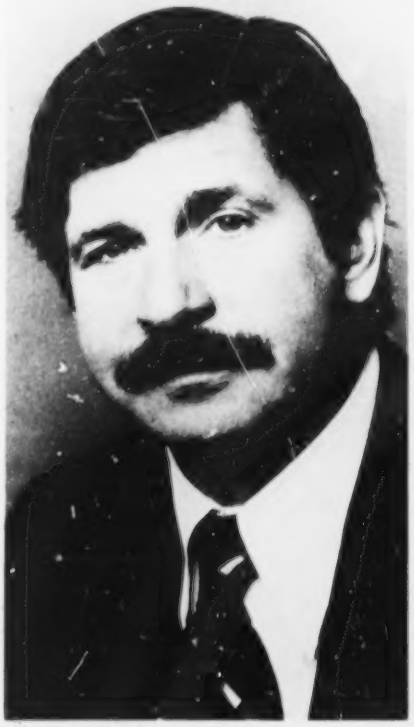
As its first challenge, the group is preparing a plan to tap the tremendous potential of industry members. "We're working on a program that will cover all aspects of political involvement and be appropriate for all NRA members," O'Neal said. "Our goal is to raise our members' political consciousness and get them more involved and concerned about government.

"At the very least," he added, "we want them to appreciate the importance of the political process."

Bishop and Bryant, a political consulting firm, has been retained by the NRA to develop a comprehensive plan for committee activities. Following an assessment of members' political needs and wants, the firm is considering several programs as part of its action plan. Some of these include:

- Regular identification of issues affecting the foodservice industry and requiring member support.
- Seminars explaining the elements of the political process.
- Skills training for testifying or making public presentations.
- How-to kits providing step-by-step instructions for appropriate political action.
- Sample speeches and letters.
- Instructional workshops on election campaign techniques.
- Assorted materials outlining the organization of a grassroots network.

For additional information on NRA's Political Education Committee, contact the NRA's Department of Action Programs, 311 First St. N.W., Washington, D.C. 20001—202/638-6100.



Michael O'Neal

Human Nutrition Department dismantled

A reorganization of the U.S. Department of Agriculture has resulted in the dismantling of the Human Nutrition Center, which published the controversial "Dietary Guidelines for Americans" last year.

Heavy opposition was voiced by the meat and egg industries and to a somewhat lesser degree by the dairy industry. Even before last year's presidential election, meat industry lobbyists had tried to get congress to cut off funding for publication and distribution of the project.

The guidelines, which were issued in collaboration with the Department of Health and Human Services, include suggestions to 1) eat more lean meat, fish and poultry, 2) eat a moderate amount of eggs and organ meats, 3) avoid too much sugar and sodium and 4) drink alcohol in moderation.

With the changes at USDA, the responsibilities of the Human Nutrition Center will now be redistributed to various other agencies. An administrative action signed by Secretary John Block establishes a new agency, the Human Nutrition Information Service, under the jurisdiction of the assistant secretary for Food and Consumer Services. Human nutrition research will remain a responsibility of the director of Science and Education.

According to Mary Jarrett, assistant secretary for Food and Consumer Services, the dietary guidelines booklet will not be reissued at public expense once the current supply is exhausted.

The Human Nutrition Center was created in 1977 in response to legislation that instructed the secretary of Agriculture to establish food and nutrition research as a separate and distinct mission of the department. It was the first time that the department's diverse efforts in nutrition research and inflation were coordinated under one administration.

Insiders have said the new Human Nutrition Information Center will "de-emphasize the USDA's past role in nutrition." One USDA official, who asked not to be named, told *NRA News* that "there will be a pulling back of nutritional activities by the department; we'll be less active in this area and much more producer oriented."

He added that the "egg and meat people were very upset by the bland diet recommended in the guidelines. We took a tremendous amount of flack over these." He did say, however, that the Department of Health and Human Services is still committed to the guidelines.

Reorganization in other areas in the USDA also continues. The Food Safety and Quality Service—the agency that determines, among other things, how much meat a restaurant can buy from a retail outlet—has been renamed the Food Safety and Inspection Service and moved from the assistant secretary for Marketing and Transportation Services. The change was made since FSQS's activities have been largely regulatory, Secretary Block said.

Also, as part of the realignment, the title of assistant secretary for Marketing and Transportation Services will be changed to assistant secretary for Marketing and Inspection Services.

Sen. Arlen Specter (R-PA) addressed association leaders at the NRA PAC breakfast meeting held during NRA's September Board Meeting. Highlights of Specter's talk will appear in the November issue of the *NRA News*.

THE LAW

NRA saves industry half billion dollars on uniform maintenance

NRA has won some important battles for the membership with the Department of Labor, in Congress and in court. Favorable rulings, legislation and decisions have been won on uniform maintenance, Targeted Jobs Tax Credit, meal credits and payroll tax on meals.

DOL accepts NRA arguments on uniform maintenance

NRA has won an important ruling from the Department of Labor (DOL) concerning DOL's uniform maintenance policy that should save the foodservice industry millions of dollars.

The Wage and Hour Division of the DOL announced on July 31, 1981, that employers no longer have to reimburse employees for the cost of laundering "wash and wear" uniforms. NRA had sought this change in DOL's uniform maintenance policy since 1978.

Current DOL rules require that an employer reimburse minimum wage employees for the cost of having their uniforms maintained if they launder them themselves. For compliance purposes, DOL has said a payment of $3.35 a week or 67¢ a day will satisfy this requirement.

NRA argued that in cases where an employee has a "wash and wear" uniform, which can be washed with personal garments, the cost of such maintenance is so minimal as to be unworthy of the law. On July 31, DOL agreed that the NRA was right.

In making the decision, the DOL said the following:

"The issue of whether employees incur measurable costs when maintaining wash and wear' uniforms has been under review for some time. We are aware that most uniforms of a 'wash and wear' material require only washing and tumble or drip drying and may be laundered with other personal garments.

"On the other hand, some uniforms of a 'wash and wear' material require daily special laundering due to heavy soiling or usage. Other uniforms require ironing, dry cleaning or patching and repairs due to the nature of the work. We have concluded that for those uniforms of 'wash and wear' material, requiring only washing and tumble or drip drying which may be laundered with other personal garments, a uniform reimbursement will not be required. However, for those uniforms which require daily or other than routine laundering with personal garments, our uniform maintenance reimbursement policy remains unchanged."

NRA expects that this long overdue ruling by the DOL will result in significant savings for foodservice employers, especially since most uniforms sold today are made of "wash and wear" material.

Targeted Jobs Tax Credit extended

Congress has approved, as part of the Economic Recovery Tax Act of 1981, a one-year extension on the Targeted Jobs Tax Credit (TJTC). The Targeted Jobs program provides tax incentives to employers who hire people in various target groups. It would have expired at the end of 1981 without congressional action.

NRA and foodservice employers led the fight to preserve the credit against heavy opposition in both houses. Opposition also came from the Reagan Administration, which felt that the program was not successful in expanding employment.

NRA argued that 1) many new jobs were created because of the credit; 2) the level of employer participation continues to climb steadily; and 3) smaller operators are now beginning to utilize the credit and should be allowed to continue to expand employment. The NRA position drew support from many members of Congress, including Sen. John Heinz (R-PA) and Sen. Pete Dominici (R-NM), who led the extension fight in the Senate; and Reps. Rangel (D-NY), Downey (D-NY), Bailey (D-PA) and Applegate (D-OH), who introduced bills in the House.

Ultimately, the administration reversed its position and supported extension, and both the House and

Senate included TJTC extension in their respective tax-cut bills. After the House-Senate conference on the tax cut, a final TJTC measure emerged, making several significant changes to the credit that now exists.

The program is extended until Dec. 31, 1982, and two new targeted groups have been added: eligible work incentive employees (primarily recipients of aid to families with dependent children) and involuntarily terminated CETA employees. But any cooperative education students hired must be members of an economically disadvantaged family to enable the employer to take the credit, and certification of an individual as a member of a targeted group must be completed or at least requested in writing before the employee starts work.

These provisions were necessary compromises to influential congressmen who felt that not all cooperative education students deserve the extra help provided by the program.

But employers receive several benefits under the new TJTC. In addition to expanding coverage to new classes, congress dropped the limitation that first-year wages on which credit is claimed could not exceed 30% of total wages paid during the calendar year. This change should be a special boon to very small operators, who found that hiring only one or two targeted employees could raise them above the limit.

All economically disadvantaged Viet Nam veterans, regardless of age, are now a targeted group. And state employment services are specifically charged with the administration of the program.

Generally, these changes take effect after Dec. 31, 1981, except for the certification provisions which are already effective.

Federal Court upholds NRA position on meal credit

In June, the U.S. District Court for the Southern District of Alabama, in the case of *Morrison, Inc. vs. Ray Marshall, etc.*, has affirmed the position NRA has long held on the taking of meal credits.

The U.S. Labor Department, following its regulation on meal credits, has established four tests that must be met before a meal credit can be taken:

1. The employee's acceptance of the meal credit system must be voluntary.
2. The employer must inform the employee of the amount to be taken as a meal credit and that amount must be acceptable to the employee.
3. Acceptance of the meal credit cannot be made a condition of employment either at the time of hiring or at any time during employment. The employee, from time to time, must be given the opportunity to option in or option out of the system.
4. The employer must retain records of all meals eaten by each employee, including who ate the meal and its actual value.

The *Morrison* decision changes these rules to the benefit of restaurateurs. An employee's agreement that his wages will include a meal credit still must be voluntary and uncoerced. But once the employee agrees, he has accepted the meals within the meaning of the law and his acceptance is not required on a meal-by-meal basis.

When an employee has agreed that part of his wages will consist of meals and the meals are made available to him, according to the Alabama court, the decision of how much and whether the meals will be actually eaten or not is properly left with the employee.

DOL's requirement that meals furnished must be consumed is illegal.

While the decision is not completely clear, the court indicated that it was no longer necessary to keep records of employee consumption of meals on an individual basis, but rather, such records may be kept on an aggregate value basis.

The decision is encouraging. NRA is now working with the Department of Labor to win acceptance of most of the *Morrison* rationale at the national level.

No payroll tax on meals

In a decision of major importance to the foodservice industry, the U.S. Supreme Court has affirmed another NRA position. It ruled that IRS is *wrong* in holding that meals and lodging provided to employees for the employer's convenience are subject to FICA and FUTA taxes.

The decision, *Rowan Companies, Inc. vs. U.S.*, came on June 8 and is much more far-reaching in scope than a similar 1979 U.S. Court of Claims decision involving the Hotel Conquistador, which the IRS has refused to follow for two years.

In the June 8 decision, the Supreme Court noted that under Section 119 of the Tax Code, an employee may exclude from gross income the value of meals and lodging furnished to him by his employer under certain conditions. The employer must have furnished both the meals and lodging for his own convenience, furnished the meals on his business premises and required the employee to accept the lodging on the business premises as a condition of employment.

The court held that FICA, FUTA and income taxes do not apply to meals provided by foodservice employers to their employees on the business premises immediately before, during or after working hours.

The NRA estimates that as a result of this decision *restaurant operators will save $103 million per year in FICA and FUTA taxes.* Restaurant employees will save $97 million per year in FICA taxes they must now pay on meals furnished to them.

IRS is shortly expected to issue instructions for employers on claiming refunds, and NRA will provide information when these instructions are issued. In answer to one NRA inquiry, IRS has already stated that even the value of meals on which a meal credit is taken for purposes of satisfying minimum wage obligations is nontaxable under *Rowan*. And it is clear that foodservice operators may cease making any future FICA and FUTA tax payments on the value of meals served to employees.

THE BOARD ROOM

Chairman Conti takes NRA message nationwide

The man at the head of the table in the NRA Board Room is Chairman Walter Conti, president of Conti Cross Keys Inn, Doylestown, Pa. With only three months of his term behind him, NRA's top officer has exhibited a flair for imaginative leadership since the moment of his election in Chicago last May.

It was Conti's idea that the centerpiece attraction of the NRA Grand Banquet (George Burns aside for the moment) would be a surprise parade of employees from all segments of the hospitality industry. As 1,100 guests in the Grand Ballroom of the Hyatt Regency sprang to their feet applauding, Conti was sending a message: "We care about our employees—they're our tomorrow!"

In addition to coordinating the work of 17 NRA committees as chairman of the board, Conti is the foodservice industry's major spokesman during his term of office. His speaking agenda looks like the desk calendar of an NFL football coach—few blank spaces.

To date, Conti's chairmanship has included a range of activities, from a joint news conference in Washington with the National Institute of Mental Health to a series of appearances at state association meetings.

On Aug. 14, in Hyde Park, N.Y., Conti told 63 graduates of the Culinary Institute of America about the tremendous opportunity in foodservice.

"You must have pride in yourself, pride in what you do and a sense of creativity," he said. "Be dedicated. Understand your fellow workers. And be a leader."

The commencement featured an elegant banquet prepared by the graduates. Over 500 people, including parents and friends, were served champagne and a gourmet meal. Said the NRA chairman, "This is a wonderful profession, and I welcome you to it. We need you."

Chairman Conti inspires and is inspired by 63 graduates of the Culinary Institute of America, Hyde Park, N.Y. "This class is wonderful," Conti later said. "Every face is filled with spirit, hope and expectation. The goosebumps are still on my back"

Within hours, Conti was carrying the NRA banner to Atlanta to help cut the ribbon at the Southeastern National Hospitality and Foodservice Exposition of the Georgia Hospitality and Travel Association. There he served on a panel exploring the future of international tourism with Edward R. Book, chairman of the Travel Industry Association of America and John Brooke, president of the American Hotel and Motel Association.

"Right now 25¢ of every dollar spent by foreign visitors comes to the restaurant industry," Conti said. "Through innovation and ingenuity we can and should cultivate this market."

From Atlanta, Conti and his wife, Pat, were off to Los Angeles for the 75th anniversary celebration of the California Restaurant Association at the Pacific Coast Regional Restaurant Hotel-Motel Exposition.

There he was guest of honor at a press reception and introduced keynote speaker Congressman Guy Vander Jagt (R-MI), chairman of the Republican Congressional Committee and a longtime friend of the foodservice industry.

In both Atlanta and Los Angeles, Conti was also able to visit with Vic Impeciato (Georgia), and with NRA Board members CRA President James Collins, Ted Balestreri, Stanton Elliott and Peter Lee (California).

Following a successful September Board meeting in Hershey, Pa., Conti visited New Jersey, Connecticut, New Orleans (for the MUFSO convention), Vermont, Massachusetts and Michigan.

His October schedule includes the National Association of Food Equipment Manufacturers Awards Banquet in Atlanta; the Food Editors' Conference in Chicago; the ANUGA show in Cologne, West Germany, Oct. 10-14; a Marine Corps management workshop in San Francisco; a talk before the Delaware Restaurant Association in Wilmington; the Foodservice Editors Conference in Williamsburg, Va.; and a Massachusetts Restaurant Association meeting in Boston.

Newspaper honor for Impeciato

Georgia NRA Board member Victor Impeciato has been honored by *The Atlanta Journal* newspaper for his

contributions to its "Letters to the Editor" column. Impeciato is one of only 250 Atlantans chosen by the paper to participate in a public issues forum and dinner on Oct. 14.

The governor of Georgia, mayor of Atlanta, city council officials and other civic leaders will discuss Atlanta's relationships with that city's five surrounding counties and the state government.

Impeciato, who spent 14 years as a teacher-coach, principal and military academy superintendent before opening Vittorio's in Atlanta in 1962, holds master's degrees from Cornell and Alfred Universities. He is past president of the Atlanta Restaurant Association and the Georgia Restaurant Association and has been honored several times as restaurateur of the year in his region and state.

As chairman of the Advisory Board of the Hotel, Restaurant and Travel School of Georgia State University, Impeciato keeps a hand in education issues. He recently put his support—and that of the Georgia hospitality industry—behind an effort to create a four-year hotel, restaurant and travel program at Georgia State University.

Said Impeciato, "Second only to agriculture in Georgia, the restaurant-hotel-travel industry needs this collegiate program. There has been an acute shortage of qualified people to serve our businesses throughout the state."

Chefs appear on television

The foodservice industry is receiving some positive coverage on national television these days. Mike Douglas gave a full week of coverage to some of the best restaurants and chefs in America the week of Aug. 31.

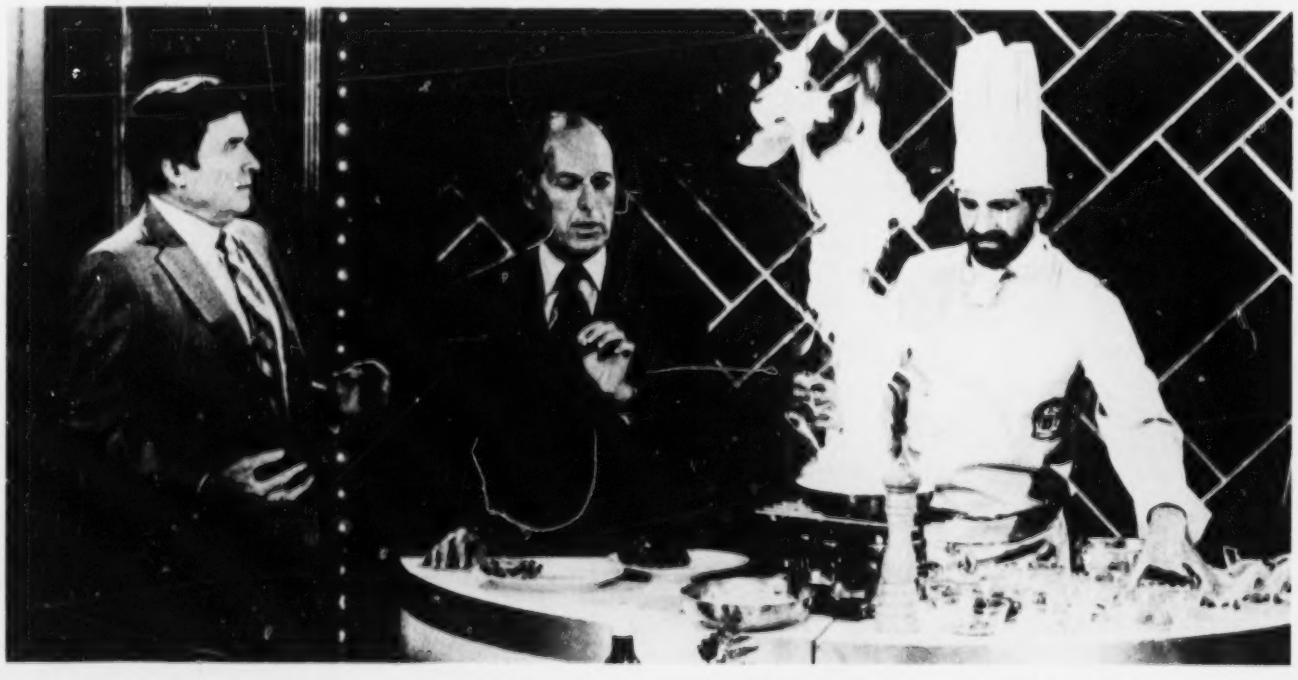
According to producers of the Mike Douglas Show, this week-long special marks only the beginning of an ongoing series highlighting the top restaurants in the world.

Stuart Levin, owner of the Top of the Park restaurant in New York City, served as host of the five shows, each of which featured a different chef preparing a recipe for which his restaurant is famous.

NRA Director and Communications Committee Chairman Michael Grisanti's restaurant, Casa Grisanti of Louisville, Ky., was featured with chef Domenic Serratore preparing capellini primavera. Recipes of the dish—which includes broccoli and cauliflower flowerets, zucchini, asparagus, mushrooms, carrots, tomatoes, pine nuts, cream, clarified butter, Parmesan cheese, salt, pepper and a pound of capellini—was one of several made available to Douglas show viewers.

Other chefs in the series were Louis Evans from the Caribbean Room, New Orleans, Pontchartrain Hotel; George Llorens from New York's Top of the Park; Ken Benson from Oakley's American Restaurant, White Plains, N.Y.; and Jim Dodge of Fournou's Ovens, San Francisco's Stanford Court Hotel.

The Board Room is the place in your monthly *NRA News* to keep up with the 157 members of the NRA Board Family. There are three officers, 51 voting members of the Board, two Associate Directors with voting privileges, six International Directors, 25 Past Presidents, 34 Honorary Directors and 36 Directors Emeritus. While news of every director won't appear in each issue, this space will highlight significant travels and achievements of Board Family members and outline the work of the various NRA committees.



Left to right, Mike Douglas is joined by New York Restaurant Association Vice President Stuart Levin and Casa Grisanti Chef Domenic Serratore. The recipe under preparation: capellini primavera.

STATE DEPARTMENT

The National Restaurant Association, in close cooperation with the Texas Restaurant Association (TRA) and the Valley Restaurant Association, successfully launched its pilot grassroots lobbying campaign in McAllen, Tex., during late August.

Approximately 20 restaurants and suppliers met with Rep. E. (Kika) de la Garza (D-TX), the influential chairman of the House Agriculture Committee, to discuss the potentially costly Farm Bill scheduled for floor debate in September. As a result of the session—an important new part of NRA's overall government relations efforts—NRA was able to demonstrate to members of congress that restaurant operators "back home" are concerned with events taking place in Washington.

According to NRA President Robert E. Bradford, when foodservice operators meet with their congressmen, it's different than when NRA goes up on Capitol Hill. "The association is speaking on behalf of the industry, while restaurateurs are discussing their livelihood. It's a much more personal and direct appeal.

"This grassroots approach is lobbying at its simplest and finest," he added.

Valuable assistance was provided by TRA Executive Vice President W.H. "Buckshot" Price and Valley Restaurant Association President Gary DellaCroce in setting up the meeting with industry members and de la Garza. Also in preparation, NRA lobbyist Sheila Bamburger conducted a briefing to update participants.

Following this informational session, the group exchanged ideas with the Texas congressman for two hours. "Anytime an elected official and his constituents can get together 'eyeball-to-eyeball' the result is better understanding and better government," Price said. "Due to the efforts of Gary (DellaCroce) and the Valley Restaurant Association, we had an extremely productive meeting with our good friend Kika."

With this first successful session on the record, NRA will be looking for other opportunities to meet with members of congress in their home districts.

"This grassroots lobbying project is a perfect example of what can be accomplished when NRA works with the state restaurant associations," said Jim Rogers, director of State Relations. "Both the state executives and members will play a major role in the productivity and outcome of future meetings."

He added that NRA is very optimistic about the benefits of this joint effort. "It's often the folks back home who determine what happens in the nation's capital."

You're proud of your state, and *NRA News* wants to know about it. Every month the "State Department" will be highlighting the activities of certain states. Please alert NRA's State Relations Department to any interesting or unusual events occurring in your area. We'll look forward to hearing from you soon.

Rep. Kika de la Garza (bottom row, second seat from left) met with restaurateurs and suppliers as part of NRA's new grassroots lobbying campaign, set up in cooperation with the Texas and Valley Restaurant Associations. (Also pictured above are VRA President Gary DellaCroce, top row sixth from left, and TRA Executive Vice President Buckshot Price, middle row, third from left.)

FOODSERVICE TRENDS

Consumer awareness of diet and health important to restaurateurs

Consumers have become increasingly aware of the relationship between diet and health in recent years, and they have begun to realize that the food they eat away from home is important to their overall diet. This trend is important to the restaurant industry because a considerable proportion of meals are eaten away from home and the food served in restaurants represents an important part of America's overall diet. Restaurateurs have an opportunity to increase business and enhance the industry's image by identifying and satisfying the needs of today's nutrition-conscious customers. (For ideas on how to select merchandise and serve more "healthful" foods, see the "Trendsetter" section of this month's *NRA News*.)

Research studies conducted during the past several years by the National Restaurant Association, independent research organizations and the government indicate that consumers are primarily interested in the cholesterol, sugar and salt content of the food they eat and in how the food is prepared. Eating a well balanced diet is also a priority among consumers. Results from a Roper survey conducted in August, 1980, revealed that over the past several years consumers have become more concerned with eating a balanced diet and with the overall nutritional value of the food they eat. Although consumers are still concerned with calorie content, and preservatives and additives food may contain, the accompanying chart shows their concern has been declining over the past several years.

Menu selections reflect consumer interest in diet

Restaurant operators have noted that diners are changing the type of menu items they order, and this may reflect their increasing awareness that food eaten away from home is important to diet. Results from a recent Gallup survey, reported by Leonard Wood at the March meeting of NRA's Market Research Group, revealed that operators had noticed that patrons were ordering more salads, seafood and fresh vegetables, but less fried foods.

Restaurants & Institutions' "1981 Menu Census," which polls restaurateurs on the type and popularity of menu items they offer and whether or not each item is a "good seller," indicates that consumers are showing a greater interest in eating more "healthful" food. Among the items ranked as "good sellers" were house salads and dressings, salad bars, fresh fruits and fresh vegetables. The survey also revealed that zucchini and onion rings are becoming increasingly popular on menus and are challenging

How important are selected factors in consumption of foods

	Very important		Fairly important		Not too important		Not at all important	
	Aug. '80	Aug. '76	Aug. '80	Aug. '76	Aug. '80	Aug. '76	Aug. '80	Aug. '76
How well balanced daily diet is	53%	61%	36%	30%	9%	7%	1%	2%
Food's nutritional value	54%	61%	35%	27%	9%	8%	2%	2%
Food's calorie content	34%	39%	31%	29%	25%	20%	9%	11%
Whether or not food has perservatives in it	25%	33%	29%	28%	31%	23%	13%	14%
Whether food has artificial coloring added	21%	29%	26%	24%	35%	25%	18%	19%

Source: Roper Reports, August 1980

french fries, the top-ranking meal accompaniment.

The type of menu items certain segments of the population order also suggests that many consumers may be looking for more "healthful" food. The results of a new NRA/CREST study on the selection of menu items by demographic characteristics found that women and persons from upper income households tend to order food that is perceived as more "healthful" such as salads, fish or seafood, chicken and diet beverages more than men. The study also showed that males tend to order foods such as steak, roast beef and french fries more than females.

Restaurants & Institutions' "1980 National Consumer Survey on Food and Foodservice" also supports our analysis that consumers are ordering more "healthful" food. When consumers were asked what menu items they were ordering more of, the same of, or less of than a year ago, 41% of the respondents indicated they were ordering more salad, 29% reported they were ordering more seafood and 23% said they were ordering more fresh vegetables. On the other hand, 45% of the respondents reported they were ordering less steak and roast beef and almost 34% said they were ordering fewer soft drinks and french fries.

Both the NRA/CREST study and the *Restaurants & Institutions* survey show that women and persons from upper-income households tend to order more "healthful" types of foods at restaurants. In addition, results from a Roper poll conducted in January, 1979, found that females and those in the high-income category feel they are well informed on nutrition, while males and those in the lower-income category feel they need to know a lot more. (See January, 1980, *Foodservice Trends*.) This informational factor could account for the large percentage of female and upper-income restaurant patrons ordering "healthful" type foods such as salads, fish or seafood and chicken more often than other segments of the population.

Diners indicate preferences

Consumers are interested in the food they eat and their concerns apply to food eaten away from home. This is reflected in the type of menu items they have indicated they would be ordering more of such as seafood, chicken and fresh vegetables and the items they would be ordering less of such as steak, roast beef and french fries. Restaurant patrons also would like to see some changes in menus.

As the accompanying chart illustrates, the results from a National Restaurant Association consumer attitude and behavior study entitled *Consumer Reactions Toward Restaurant Practices and Responsibilities* indicate that consumers want information on fresh versus frozen menu items, portion size and how food is prepared, for example, roasting or broiling versus fried. In addition, Roper organization surveys report that the public is still concerned with the nutritional value of the food they eat, the calorie content and the use of food additives.

Frozen foods: For what main courses should storage method be labeled?

Item	Percent of respondents who want to know if item has been frozen
All main courses	40%
Fish/seafood	40%
Meals	34%
Chicken	28%
Chopped/ground meats	24%

Source: *Consumer Reactions Toward Resaurant Practices/Responsibilities*, National Restaurant Association, November 1977.

Dieters or calorie conscious consumers are important to the restaurant industry. However, many of these persons feel that eating out is difficult, according to the results of the *Restaurants & Institutions* survey. Nearly eight out of 10 found it difficult or very difficult to eat away from home because they could not get the foods their diets required at restaurants. Sixty-one percent of the dieters indicated they would order low calorie food more frequently and 47% said they would order low sugar food more frequently if such food and information on these items were included on the menus in places where they eat. Restaurant operators have an opportunity to attract this market segment by adding a special diet section to their regular menu or offering more low-calorie foods and beverages.

Health-conscious market is potentially profitable

The health conscious consumer provides restaurateurs with a viable and affluent market. As mentioned earlier, research studies have shown that households in the high income category and upscale in education and occupation feel they are well informed on nutrition and they want a more balanced diet whether they eat at home or away from home. They tend to eat out more often than households with lower incomes and can be some of the best restaurant patrons. NRA's *Meal Consumption Survey* found that respondents from households earning over $25,000 eat out more frequently than respondents from households earning less than $10,000. (See July, 1981, *Foodservice Trends*.) In addition, upper income households have more discretionary income to spend on eating out while lower income households have considerably less. By offering more healthful foods, including more information on menus and by targeting advertising dollars toward this segment, restaurant operators may see increased patronage from these important demographic groups.

Demographics affect item selection, reveals NRA/CREST study

Highlights

- Men are more likely to order hamburgers, cheeseburgers and roast beef sandwiches while women select more fish and chicken sandwiches.
- Selection of entree items varies significantly by age group. Those over 50 prefer to order steak, roast beef, fish or seafood and veal, while those age 25 to 34 tend to order ethnic foods such as pizza and Mexican dishes.
- Females are more diet conscious and order more than their share of main dish salads.
- Ice cream is especially popular with children under 12.
- Men are more likely to order breakfast menu items such as eggs and sausage or bacon than females.
- Coffee, shakes or malts, regular soft drinks and beer are the most popular beverages among males, while tea, diet soft drinks and wine are most popular among females.

A special CREST menu item analysis, performed for the National Restaurant Association, reveals the extent to which menu item selection varies by customer demographics. This new NRA/CREST report responds to many inquiries about the demographics of menu selections. The analysis, based on customer behavior from December, 1980, through May, 1981, details selection of menu items by such characteristics as age, sex, family size, household income and occupation.

The objective of this NRA/CREST study is to broaden our understanding of who is choosing specific menu items in an effort to assist restaurant operators as they plan menu item changes to attract certain market segments. The study will help restaurateurs determine what menu items should be included on special menus for children and senior citizens. In addition, it can help when planning advertising or promotional campaigns.

NRA analysis reveals that definite differences in the selection of menu items by demographics groups occur, especially between males and females and among the different age groups. For example, females tend to order more "healthful" foods such as salads, fish or seafood and chicken. Males, on the other hand, tend to order menu items such as french fries and beef. In addition, the difference in menu items ordered by age group is most pronounced when entree menu items are analyzed. Those over 50 years old order steak, roast beef, fish or seafood and veal, while those age 25 to 34 order ethnic items such as pizza and Mexican food on a disproportionately high number of occasions.

The following analysis concentrates on menu preferences by age and sex. For a better understanding of statements about the likelihood of ordering specific menu items by men, women and certain age groups, these tendencies should be viewed relative to the representation of the groups in the CREST family population as shown in the accompanying table. For example, men represent 49% of the population but are responsible for only 42% of chicken sandwich orders which means that they are "light users" of this menu item. On the other hand, women represent 51% of the population but consume 62% of the main dish salads, making them "heavy users" of the item.

Percent of CREST family population

By Sex

Men	49.2%
Women	50.8%

By Age

Under 6	7.8%	25 to 34	16.9%
6 to 12	13.6%	35 to 49	18.4%
13 to 17	8.6%	50 to 64	16.0%
18 to 24	9.6%	Over 64	9.2%

Females order fish and chicken sandwiches

Men are more likely to order hamburgers, cheeseburgers and roast beef sandwiches, while females tend to select fish and chicken sandwiches on a disproportionately high number of occasions. Males accounted for 53% of the hamburger orders versus 47% for females. On the other hand, females are responsible for 58% of the chicken sandwich selections compared to only 42% for men.

Differences in the types of sandwiches selected may be due to several factors. First, more men than women eat out for lunch, and hamburgers or roast beef sandwiches are common mid-day selections. Second, women tend to be more diet-conscious than men, contributing to their preference for fish and chicken sandwiches. Third, women are likely to seek more variety and may have a greater tendency to try such recent menu additions as chicken and fish sandwiches.

Patrons age 25 to 34 and age 35 to 49 are heavy users of hamburgers, ordering more hamburgers than any other age groups and accounting for 18.6% and 19.6% respectively of the occasions on which this menu item was ordered. In addition, those age 25 to 34 prefer cheeseburgers and fish and chicken sandwiches. Overall, sandwiches are popular with those 25 to 49 who make up a large proportion of the workforce and are more likely to eat out for lunch.

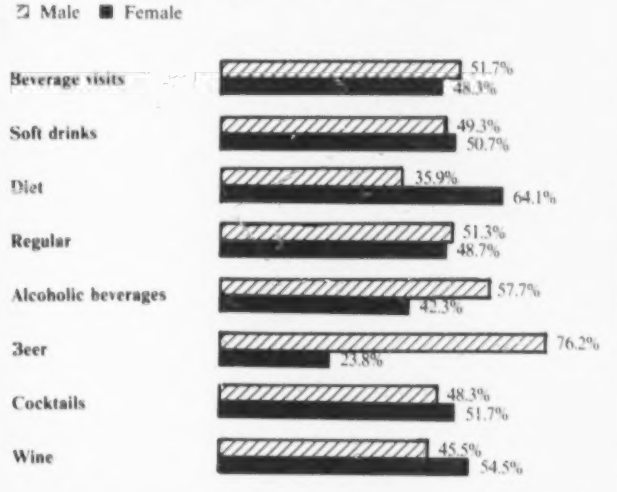
Hamburgers and cheeseburgers are most popular among children under six who select these sandwiches more frequently than other items. Children are responsible for 9.9% of all hamburger orders and 8.6% of the cheeseburgers consumed. These choices were also the most popular among children age six to 12.

Patrons from households of three or four members tend to order hamburgers and cheeseburgers while those from two person families order a disproportionate number of chicken and fish sandwiches. Sandwiches are also more likely to be ordered by patrons from households with an income of $30,000 and a white collar occupation.

Ordering of entrees varies by age group

Selection of entrees varies significantly by age group. Those 50 to 64, representing 16% of the population, prefer roast beef, steak, fish or seafood and veal entrees. These account for almost 30% of the occasions on which steak and roast beef were ordered, 26% for fish

Percent of occasions beverage items were ordered by males and females



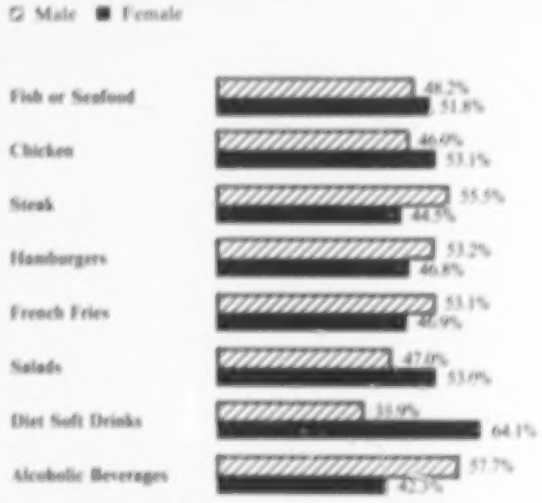
Source: NPD Research, Inc., CREST Family Diary Panel, Winter and Spring Quarters, 1981

or seafood and 32% of the occasions on which veal was ordered. These menu items are also most popular with those age 65 and over and should be considered by restaurateurs wanting to attract older customers.

Patrons from 35 to 49 show a preference for chicken and pasta entree items, accounting for 31% and 25% of the occasions on which these items were ordered. Pizza and Mexican food are particularly popular with those in the 25 to 34 age group. They accounted for 23.6% of the occasions on which Mexican food was ordered. These younger customers are apparently more willing to try new foods. In addition, they may opt for lower cost menu items because their eating out budget is restricted.

Chicken and pizza are the most popular entrees among children under 12. Children under the age of six accounted for 6.2% of the occasions on which chicken was ordered and 8.6% of the occasions on which pizza was ordered. Selection of these menu items increased for

Percent of occasions on which menu items were ordered by males and females



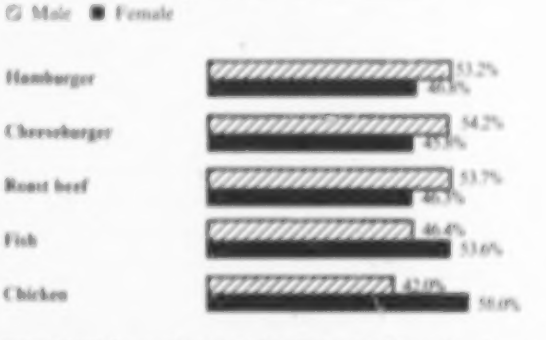
Source: NPD Research, Inc. Crest Family Diary Panel, Winter and Spring Quarters, 1981

those age six to 12 who account for 10.3% of the chicken orders and 15.8% of the pizza orders. This is significant, especially for restaurant operators planning a special menu for children.

Although men and women are equally likely to eat out for dinner, the study reveals that males prefer roast beef, steak and veal and females show a preference for fish or seafood, chicken and Mexican food. Males and females account for similar proportions of the occasions on which pasta and pizza are ordered.

Differing preferences of entree menu items may be due to more concern with diet and nutrition among females than males. (See corresponding article in this section entitled "Consumer awareness of diet and health important to restaurant industry.") In addition, females

Percent of occasions sandwiches were ordered by males and females



Source: NPD Research, Inc., CREST Family Diary Panel, Winter and Spring Quarters, 1981.

may order fish or seafood more when eating out because they find it easier and more convenient than preparing it at home.

CREST panel members belonging to families with two persons tend to order roast beef and steak while those from larger households of three or four members order pizza and Mexican food on a disproportionate number of occasions. Those from households with incomes above $30,000 show a particular preference for veal and Chinese food.

Salads most popular with females

Women tend to order salads more than men, accounting for 53% of the occasions versus only 47% for males. Females will order both main and side dish salads more often than men, providing 62% of the occasions on which salad was ordered as a main dish and a more modest 52% of the occasions on which it was ordered as a side dish. Males, on the other hand, tend to order french fries and soup more than females, accounting for 53% of the occasions on which each of these menu items was ordered.

Females feel they are well informed on nutrition, which could contribute to the differences in popularity of these menu items. Also, salads are recent menu additions for many restaurants, particularly at fast food restaurants, and the difference in the ordering of these menu items by sex may be the result of attracting different clientele. Since males frequently order hamburgers and cheeseburgers, it is not surprising that french fries are also popular because they are part of a typical fast food meal.

Those 50 to 64 years of age order salads and soups more than any other age group. They accounted for a disproportionate 27% of the occasions on which salads were ordered and 30% of the occasions on which soup was ordered. NRA's *Meal Consumption Behavior* study revealed that those age 41 to 64 eat lunch and dinner out frequently, with 45.8% of the respondents reporting they had eaten lunch out at least once in the past week and 50.5% reporting they had eaten dinner out at least once in the past seven days. (See July, 1981, *Foodservice Trends.)*

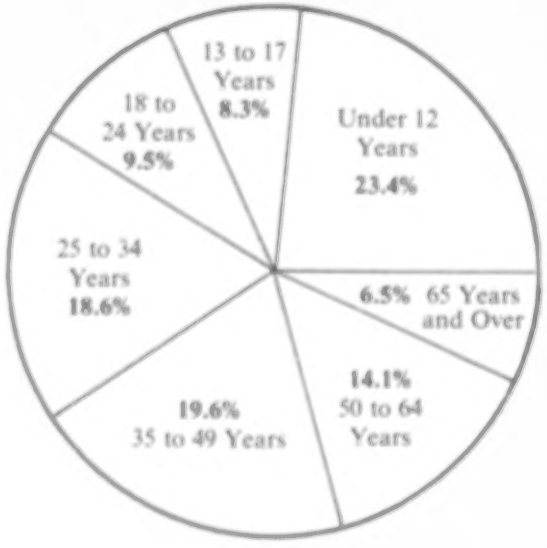
Patrons from a family of two show a distinct preference for salads. In addition, those families with incomes above $30,000 order a disproportionate number of salads and soups.

Ice cream tops with kids under 12

Children under 12 order ice cream more than other age segments, accounting for 26.5 % of the occasions on which it was ordered. This is especially important for restaurant operators to note because children account for only 21% of the population.

The CREST study also revealed that women tend to order more dessert menu items than men. They accounted

Percent of occasions on which sandwich menu items were ordered by age group



Hamburger

Chicken sandwiches

Source: NPD Research, Inc., CREST Family Diary Panel, Winter and Spring Quarters, 1981

Heavy and light users of selected menu items

Menu item	Heavy users	Light users
Eggs	Men; persons 25 years old and older; persons from upper income families; persons from small families.	Women; persons under 25 years old; persons from lower income families; persons from families with five or more members.
Fruit juice	Women; persons 25 to 64 years old; persons from families with 2 members; persons from families with incomes over $20,000.	Men; persons under 12 years old; persons over 65; persons from families with incomes under $20,000.
Hamburgers	Men; children under 12; persons 25 to 49 years old; persons from families with 3 to 4 members; persons from families with incomes between $10,000 and $25,000.	Women; persons 50 years and older; persons from 2 member families; persons from families with incomes under $10,000.
Fish sandwich	Women; persons 18 to 49 years old; persons over 65; persons from families with incomes over $30,000.	Men; children under 12; teenagers; persons from families with 5 or more members; persons from families with incomes between $15,000 and $25,000.
Chicken sandwich	Women; persons 25 to 49 years old; persons from families with 2 members; persons from families with incomes between $10,000 and $15,000 and over $25,000.	Men; children under 12; teenagers; persons from families with 3 or more members; persons from families with incomes between $15,000 and $25,000.
Steak	Men; persons 25 and over; persons from families with 2 members; persons from families with incomes over $25,000.	Women; children under 12, teenagers; persons 18 to 24 years old; persons from families with 3 or more members; persons from lower income families.
Fish/seafood	Women; persons 35 and over; persons from families with 2 members; persons from families with incomes over $25,000.	Men; children under 12; teenagers; persons 18 to 24; persons from families with 5 or more members; persons from lower income families.
Pizza	Men; children under 12; teenagers; persons from families with 3 or 4 members; persons from families with incomes over $20,000.	Persons 50 years and older; persons from 2 member families; persons from families with incomes under $20,000.
Mexican food	Women; persons 18 to 34; persons from 2, 3 and 4 member families; persons from middle and upper income families.	Men; children under 12; persons over 50; persons from families with 5 or more members; persons from families with incomes under $10,000.
Salad (main and side dish)	Women; persons 25 and older; persons from 2 member families; persons from upper income families.	Men; children under 12; teenagers; persons 18 to 24 years old; persons from families with 5 or more members; persons from lower income families.

French fries	Men; children under 12; persons from families with 3 or more members; persons from middle income families.	Women; persons 50 years old and older; persons from 2 member families; persons from upper income families.
Diet soft drinks	Women; persons 25 to 49 years old; persons from families with 2, 3 or 4 members; persons from families with incomes over $30,000.	Men; children under 12; teenagers, persons 50 years old and older; persons from 5 or more member families; persons from families with incomes under $20,000.
Regular soft drinks	Men; children under 12; teenagers; persons 18 to 34 years old; persons from 3 or 4 member families; persons from families with incomes between $10,000 and $25,000.	Women; persons 50 years old and older; persons from 2 member families; persons from families with incomes under $10,000 and over $30,000.
Beer	Men; persons 25 to 64 years old; persons from families with 2 members; persons from families with incomes over $25,000.	Women; children and teenagers; persons over 65 years old; persons from families with 5 or more members; persons from families with incomes under $25,000.
Wine	Women; persons over 25 years old; persons from 2 member families; persons from families with incomes over $25,000.	Men; children and teenagers; persons 18 to 24 years old; persons from 3 or more member families; persons from both lower and middle income families.

Note: Heavy users are those persons who have a higher order frequency than their representation in the CREST family panel. Light users have a lower order frequency than their representation in the CREST family panel.

for 53% of the occasions on which dessert was ordered versus only 47% of the occasions for males contradicting their tendency to choose more "healthy" foods. Females also ordered ice cream more than males, accounting for over half, 55%, of the occasions on which ice cream was ordered. In comparison, males ordered this dessert menu item on only 45% of the occasions.

Men order more breakfast items

Males are more likely to order breakfast menu items than females, which is explained in part by a greater tendency among men to eat breakfast away from home. Men are responsible for 55% of the occasions on which eggs are ordered compared to 45% for females. Males also order sausage or bacon more frequently, 58% of the occasions versus only 42% of the occasions for females. Reversing the trend for other breakfast items, females are heavy users of fruit juice on a per capita basis, accounting for 52% of juice orders compared to only 48% of the occasions for males.

Those age 50 to 64 tend to order eggs and sausage or bacon on a disproportionately high number of occasions, explained in part by their tendency to eat breakfast away from home. NRA's new study, *Meal Consumption Behavior*, found that those age 41 to 64 eat breakfast out frequently, with 16.6% reporting they had eaten out for breakfast at least once in the past week. (See July, 1981, *Foodservice Trends*.)

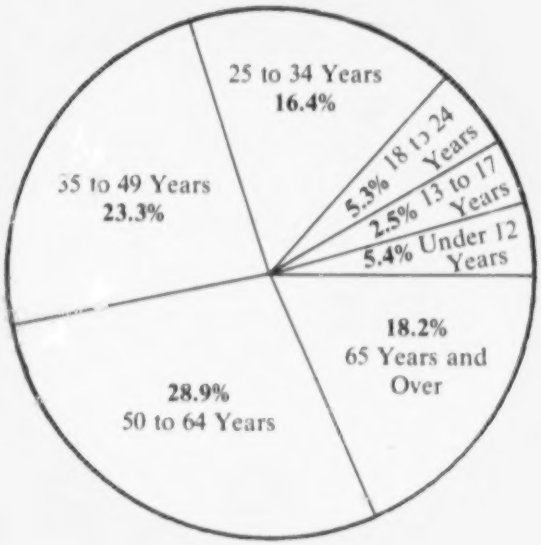
Patrons from families with incomes of $30,000 and over and white collar families are heavy users of items such as eggs and sausage or bacon, selecting these breakfast items on a disproportionate number of occasions. These results are not surprising since families with these characteristics are the most likely to eat out.

Coffee most popular with ages 50-64

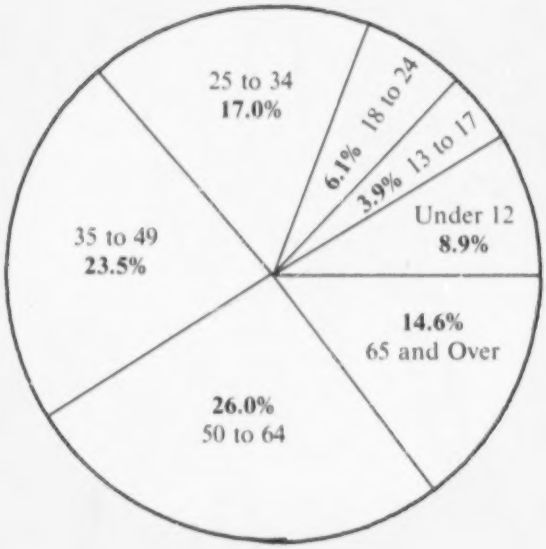
Coffee is the most popular beverage among those age 50 to 64. CREST panel members age 35 to 49 tend to order tea, beer, cocktails and wine, while those age 25 to 34 order a disproportionate share of both diet and regular soft drinks. Shakes or malts and regular soft drinks are the most popular beverages among children under six. They accounted for 9.3% of the occasions on which shakes or malts were ordered and 9.2% of the occasions on which regular soft drinks were ordered. These beverages were also the most popular among children age six to 12.

The NRA/CREST study revealed that men show a preference for coffee, shakes or malts, regular soft drinks or beer. Women, on the other hand, tend to order more tea, diet soft drinks and wine than males.

Percent of occasions on which entree menu items were ordered by age group



Roast beef



Fish or seafood

Source: NPD Research, Inc., CREST Family Diary Panel, Winter and Spring Quarters, 1981

NRA survey reveals profile of dining club member

With one out of five households belonging to a restaurant dining club at one time or another, according to a recent National Restaurant Association survey, the subject can be of importance to restaurant owners and managers. The survey, which was performed by National Family Opinion, Inc. under contract with NRA, focuses on who joins dining clubs, why they join and why they do or do not retain their membership. Information provided by respondents on the subject of dining club membership can be especially beneficial to restaurateurs who are approached by dining club organizations or who are considering forming their own dining club.

The analysis of the survey results is based on 782 completed questionnaires received in May and June of this year. For the study, restaurant dining clubs were defined as *clubs where members pay a fee and receive a membership card entitling them to receive either reduced prices for meals or two meals for the price of one at a specific restaurant or at a selected group of restaurants.*

Who joins dining clubs

As mentioned previously, one out of five households (19.8%) surveyed have belonged to a dining club at some time. Upscale households and households located in the western region of the U.S. are most likely to have been members of dining clubs. Over one-fourth of the households with incomes above $30,000 and those where the male head has some college education have belonged to such a club. In addition, three out of 10 western households report being members of a restaurant dining club at one time or another. These demographic groups may be more willing to try something new, and, as a result, they could be more likely to join dining clubs.

On the other hand, eight out of 10 of the households in this survey stated that they have never belonged to a restaurant dining club. Those least likely to be members are households with incomes under $15,000, singles, households in the northeast and south and households where the male head has a high school education or less.

Most join to save money

Respondents were asked why they join restaurant dining clubs, and a summary of this information can be found in the accompanying table. Over half of those surveyed (54.8%) stated that they became dining club members because it reduces the cost of eating out. This was especially important to households with incomes under $15,000 and those with incomes between $25,000 and $35,000. Saving money was also a top priority of nearly six out of 10 married couples with no children and six out of 10 households where the youngest child is over 18 years old.

Forty-seven percent of the respondents stated that dining clubs allow them to enjoy a variety of different restaurants. Variety is the number one reason for joining a restaurant dining club for households with incomes between $30,000 and $35,000, households with five or more members, southerners and households where the male head had completed college.

Other reasons given by respondents for becoming members of dining clubs include: recommendations by friends (16.1%), able to eat out more often (14.8%) and received mail or phone solicitation (5.8%).

Majority do not retain membership

NRA's survey revealed that the vast majority of respondents do not retain their membership in restaurant dining clubs. Seventy-three percent of those who had belonged to such a club at one time or another are not members now compared to 24.9% who are members at the present time.

Upper-income households, families where the youngest child is over 18 and households residing in the western states are the most likely segments to drop their dining club memberships. Readers should recall that these represent the most likely demographic groups to join dining clubs. On the other hand, households with incomes under $20,000, midwesterners, singles and married couples with no children show a higher than average proportion to retain their dining club memberships. These represent many of the same segments who are least likely to have ever been dining club members.

Infrequent use is the primary reason cited by most respondents who do not retain their restaurant dining club memberships. Over half of those surveyed reported that they did not take advantage of the dining club often enough to warrant rejoining. This is especially true for households with incomes over $35,000, four member households, westerners and families where the male head has completed college. Approximately three out of 10 stated that they did not retain their dining club memberships because the club had a limited selection of restaurants. On the other hand, less than 10% reported that the reason why they discontinued their dining club membership was because it was too expensive and only 2.7% felt that the participating restaurants were not conveniently located, as shown in the accompanying table.

Why did you join a dining club?

Reason	Percent saying.....
Reduced cost of eating out	54.8%
Able to try different restaurants	47.1%
Other friends recommended it	16.1%
Could eat out more frequently	14.8%
Received mail or phone solicitation to join	5.8%
Gift	4.5%

Note: Multiple answers were allowed. Based only on those households who had ever belonged to a dining club.

Source: National Restaurant Association.

Why did you discontinue your membership?

Reason	Percent saying.....
Infrequent use	55.8%
Limited selection of restaurants	31.9%
Too expensive	9.7%
Restaurants not conveniently located	2.7%
All other reasons [1]	24.8%

Note: Multiple answers were allowed. Based only on those households which had once belonged to a dining club but are not now members.

1 Includes such things as dining clubs going out of business, respondents moving away, just didn't feel like rejoining.

Source: National Restaurant Association.

Commodity spotlight: Price and availability forecast

The cost and availability of various commodities are important to restaurant operators for effective menu planning. In order to provide operators with up-to-date agricultural information, we will briefly review the short term outlook for selected food products each month in the "Foodservice Trends" section of *NRA News*. In addition, the Commodity Price Index, which highlights changes in wholesale food costs for some basic commodities important to our industry, will be a regular monthly feature.

Although the information in this article is as up-to-date as possible at the time of publication, readers should be aware that prices and supplies of many commodities can change rapidly.

Lettuce: Demand for California lettuce remains strong, and as a result, prices have risen. Shipper prices for carton 24s now average about $7.50 to $8 compared to $6 to $7 a few weeks ago.

Tomatoes: Tomato acreage is down about 4% this year, following a similar decline last year. This will result in continued higher prices for fresh tomatoes as well as for processed tomato products throughout this year.

Potatoes: Growers of fall potatoes are expected to harvest 1.04 million acres in 1981, up 6% from last year's small acreage. Average yields will mean a crop of 287.1 million cwt., an increase of 9% over 1980. Farm prices for potatoes will decline moderately from the record highs farmers received for last year's crop, causing wholesale potato prices to remain close to or below those in 1980.

Apples: The 1981 U.S. apple crop is predicted to equal 8.06 billion pounds, 9% below last year's record. Decreases from 1980 production levels in the Great Lakes states and along the eastern seaboard were not offset by increases in the remaining major apple producing states. As a result, wholesale prices for both fresh apples and processed apple products are expected to rise.

Grapes: The California grape crop is estimated at 4.17 million tons, down a substantial 19% from last year's record crop. Smaller production is forecast for table grapes and raisins, and restaurateurs can look for higher prices for these commodities during the coming months.

Other fruits: Production of peaches and pears will be 6% and 5% below 1980 levels. This year's crops of nectarines and plums, however, could rise 4% and 13% from last year. In late July, shipping point prices for most summer fruit were below early season levels. With smaller crops expected for many fruits, prices are likely to remain high.

Peanuts: Peanut acreage is up 10% from 1980's drought-reduced area. With very good growing conditions prevailing, the crop is projected to equal 3.7 billion pounds. Prices for peanuts and processed-peanut products, especially peanut butter, should be below last year's highs.

Beef: Beef production in 1981 is expected to reach 22.1 billion pounds, up 2.8% from 1980's output of 21.5 billion pounds. Choice steer prices will probably average $66 per hundredweight, down slightly from last year's average price of $67. Larger supplies and lower demand have caused beef prices to drop this year.

Pork: USDA predicts that 1981's pork production will reach 15.3 billion pounds, down 7% from 1980's output of 16.4 billion pounds. Hog prices will probably average about $46 per hundredweight, up from $40, or 15% higher than, last year.

Chicken: Chicken production will increase only 4.5% in 1981 to 11.6 billion pounds. Wholesale broiler prices will probably average 48¢ a pound, up 4% from 1980's average of 46¢.

Commodity price index percent change

Commodity	1979-1980	Aug. '80-Aug. '81	8 Mos. '80-8 Mos. '81	July '81-Aug '81
Bakery products	11.7%	8.4%	8.7%	0.2%
Flour and cereal	12.3%	8.0%	9.9%	(0.8%)
Beef and veal	3.2%	(9.4%)	(3.9%)	(1.9%)
Other meats	(2.7%)	3.4%	13.4%	0.3%
Pork	(4.0%)	6.9%	17.5%	(0.8%)
Poultry and eggs	1.0%	(3.4%)	10.7%	(1.6%)
Poultry	2.5%	(5.2%)	9.8%	(1.3%)
Eggs	(2.8%)	2.1%	13.3%	(2.4%)
Fish and shellfish	(3.2%)	(0.8%)	0.4%	(4.1%)
Sugar and sweets	35.4%	(10.8%)	6.4%	(0.6%)
Sugar	49.6%	(22.5%)	(1.7%)	(0.3%)
Vegetables	7.5%	18.8%	31.7%	(2.6%)
Fresh vegetables	8.6%	20.8%	42.2%	(4.0%)
Fruits and juices	4.2%	(0.7%)	1.3%	0.4%
Fresh juice	4.1%	(17.6%)	(9.5%)	(1.4%)
Beverages	0.8%	(4.6%)	(3.6%)	(0.3%)
Dairy products	12.1%	5.4%	8.1%	NC
Fats and oils	6.4%	(1.1%)	3.2%	(1.0%)
NRA food cost index	5.0%	(0.8%)	5.0%	(1.4%)
All food, producer price index[1]	8.0%	(0.1%)	6.2%	(0.7%)

1 Includes all processed foods (except soft drinks, alcoholic beverages and animal feeds) plus eggs and fresh and dried fruits and vegetables.

Sources: *Producer Price Index*, Bureau of Labor Statistics; NRA.

Interest in promotion increasing, according to new NRA study

Faced with declining customer counts in 1979 and 1980, foodservice operators turned to promotions and incentives as a means to increase sales and traffic. Today restaurateurs continue to use this merchandising technique to attract both first-time and repeat business. The National Restaurant Association, in order to provide the industry with reliable information on restaurant promotion usage, recently conducted a consumer attitude and behavior survey to learn about customer reactions to and use of promotions in restaurants. Detailed information from this study, performed under contract with National Family Opinion, Inc. in the late spring, is analyzed in a new publication, *Reactions To and Use of Restaurant Promotions By Consumers*, which will be available for sale in mid-November.

Results are based on responses from 782 households representing 1,788 individuals. (A total of 1,000 questionnaires were mailed.) Since the questionnaire was

designed to ascertain restaurant promotion usage and attitudes on an individual respondent basis, information is available by age and sex of each respondent and by such household characteristics as income, household size, female head employment, region and family lifestyle. The accompanying tables on how often restaurant promotions are used and the likelihood of use of various promotions will give readers an indication of the information available from this new NRA publication. More detailed statistics and analysis on frequent, occasional and infrequent users can be found in the final report.

Operators will find the study particularly helpful in selecting promotions which are most appealing to their target market and in advertising their promotions. The following information is revealed in this new NRA consumer attitude and behavior study:

- Profiles of promotion users and non users
- How often various types of promotions are used
- Likelihood of use of different promotions by both users and non users
- How consumers find out about promotions
- Whether promotions attract new business
- Whether promotions generate repeat business
- Why some consumers never use promotions
- General attitudes toward restaurant promotions

To order *Reactions To and Use of Restaurant Promotions By Consumers*, contact NRA's Educational Materials Department, 311 First St. N.W., Washington, D.C. 20001, or call (800) 424-5156. Members should specify order number CS 700 and non members should specify order number CS 701 when ordering this new consumer study.

Operators panel to compare financial, operations data

Do you wonder how your business is doing on a monthly basis compared to other similar operations around the country? Do you have need of industry financial and operations data for making forecasts? If the answer to either or both of these questions is yes, you will want to join our Restaurant Operators Panel. The panel is sponsored jointly by the National Restaurant Association and the accounting firm Laventhol & Horwath. All that a panel member is required to do is complete a short, confidential survey card each month, supplying information on food and beverage sales and costs.

The purpose of the Restaurant Operators Panel is to provide NRA members a unique means of comparing financial data on their own operations to averages for other similar restaurants. The information is generated on a monthly basis and is not available from any other source.

Panel participants are provided with up-to-date statistics on:

- Food and beverage sales and costs
- Food and beverage cost as a percent of sales
- Payroll

How often do you take advantage of restaurant promotions?

Frequency	Total respondents	Total males	Total females
Four or more times a month	8.1%	8.6%	7.4%
Two or three times a month	14.0%	13.4%	14.9%
Once a month	16.6%	17.1%	16.5%
Once every other month	9.0%	8.6%	9.6%
Once every six months	12.4%	11.2%	13.8%
Once a year	8.1%	8.0%	7.9%
Never	26.9%	28.4%	25.4%
No answer/ don't know	4.8%	4.8%	4.7%

Note: Totals may not add up to 100% because of rounding.
Source: *Reactions To and Use of Restaurant Promotions by Consumers*, National Restaurant Association, October 1981.

Likelihood of use of various types of promotions

Type of promotion	Very/ somewhat likely	Neither likely nor unlikely	Very/ somewhat unlikely
Two-for-one specials			
Promotion users	75.8%	6.6%	11.0%
Non promotion users	28.1%	9.8%	49.9%
Cents off coupons			
Promotion users	68.1%	6.2%	17.8%
Non promotion users	20.2%	7.9%	58.4%
Complete meal specials			
Promotion users	45.8%	16.8%	26.8%
Non promotion users	19.4%	12.5%	52.8%
Early bird special			
Promotion users	24.1%	16.0%	51.0%
Non promotion users	6.9%	10.8%	68.2%
Games and sweepstakes			
Promotion users	24.7%	15.0%	51.1%
Non promotion users	8.9%	7.1%	69.8%
Premiums			
Promotion users	19.7%	13.9%	57.3%
Non promotion users	8.1%	7.7%	69.7%

Note: Non-responses are not included in these figures.
Source: *Reactions To and Use of Restaurant Promotions by Consumers*, National Restaurant Association, November 1981.

- Average check
- Sales per seat
- Customer traffic

Participants receive an individualized report each month comparing their own operating results with those of all panel members. In addition, industrywide results, such as that shown in the accompanying table, will be published in the "Foodservice Trends" section of *NRA News*.

Future possibilities for this unique Restaurant Operators Panel are enormous. As more and more NRA members join the panel, much more detailed information will become available. For example, comparative sales, cost and customer count data will be available by type of establishment, region, average check size of restaurants and seating capacity of restaurants.

Our goal is to develop panel participation to such an extent that local area or state-by-state operating information will be available. To achieve this goal we urge each NRA member to join this valuable Restaurant Operators Panel. Interested operators should complete the attached form and return to Bette Hoyt, National Restaurant Association, 311 First St. N.W., Washington, D.C. 20001.

National trend of business in the restaurant industry

	Percent change from prior year	
	April '81	**May '81**
Food and alcoholic beverage sales	7.8%	8.1%
Food sales	7.5%	7.5%
Alcoholic beverage sales	9.3%	11.2%
Food and alcoholic beverage cost	7.7%	6.0%
Food cost	7.7%	4.4%
Alcoholic beverage cost	8.0%	4.9%
Payroll cost	5.9%	7.6%
Average check	4.7%	10.3%

Should not be considered representative of the industry because response is limited.

Note: Percentages for each category based only on respondents supplying data.

Industry index

Retail sales (000,000)	**Aug. 1981**	**Percent vs. year ago**	**Year to date sales 1981**	**Percent change vs. year ago**
All retailers	$88,689	+8.5%	$674,496	+10.5%
Eating and drinking places	$8,502	+7.3%	$63,109	+10.4%
Food stores	$19,872	+4.0%	$155,896	+9.6%

Source: Bureau of Census, unadjusted data. Subject to revision.

Consumer prices (August)	**Percent change vs. August year ago**	**Percent change 1981 to date vs. year ago**
Food at home	+6.4%	+9.0%
Food away from home	+8.9%	+9.4%
All items less food	+11.6%	+10.8%

Source: Bureau of Labor Statistics.

Eating place indicators (000,000)	**June, 1981**	**Percent change vs. year ago**	**Year to date sales**	**Percent change vs. year ago**
Eating place sales	$7,223	+9.4%	$40,504	+10.5%

	Percent change vs. year ago	**Percent year to date vs. year ago**
Real eating place sales (June)	+0.4%	+0.9%

Sources: Bureau of Census, Bureau of Labor Statistics, NRA calculations. Subject to revision.

Employment and earnings	**July, 1981**	**Percent change vs. year ago**
Total employment	4,898,700	+2.6%
Nonsupervisory employment	4,520,400	+3.0%
Nonsupervisory average hourly earnings	$3.92	+6.5%
Average weekly hours	26.9	+0.7%

Source: Bureau of Labor Statistics.

Participant Request

National Trend of Business in the Industry

Restaurant Owner/Manager _____

Name of Restaurant _____

Address _____

City _____ State _____ Zip _____

Telephone( ) _____

Return to:
Bette Hoyt
National Restaurant Association
311 First St. N.W.
Washington, D.C. 20001

TRENDSETTERS

HAPPY & HEALTHY

Americans just love to dine out.

Champagne makes them giddy. The thought of brandied cherries—spooned flaming, of course—over creamy, rich scoops of vanilla ice cream sends them into ecstasy. Tender veal medallions bathed in butter and cream are guaranteed to drive them wild. The thought of coconut and chocolate married into one delightful torte can be better than a juicy novel. Having this all rolled together into one super evening is not unlike Heaven.

Yet, there is one problem.

Dining out—all the fine food, candlelight, ambience and wine—is wonderful to experience but can challenge the willpower of anyone trying to diet. In a nation where one out of every five citizens is on a diet at any given time, according to the United States Department of Agriculture, restaurateurs are up against a tough challenge.

Does that mean a restaurateur should throw up his hands in defeat? Should you toss out the whipping cream and load up on sprouts? Must you cancel your beef contracts and make friends with the local tofu maker?

Definitely not. What today's restaurateur has to do—amidst the trend to more healthful eating—is take a long look at his customers' needs and provide alternatives within the framework of his menu.

"Learn to build flexibility into your menus," said Karen Lechowich of the American Dietetic Association. "A sauce or gravy that is added just before serving makes filling special requests for customers a lot easier. And it cuts down on the hassles among kitchen staff and service people.

"If someone on a special diet—whether it's low-calorie, low-salt or whatever—has had a pleasing experience at a restaurant, you can be sure they will return with friends," she added. "They know they will be able to have something on their diet while their friends can still enjoy whatever they want."

NRA Honorary Director Jessie Alice Cline said restaurants should be aware of what makes a balanced meal and consider the basic food groups when designing their menus. "When an individual decides to eat away from home, he must be given the choice of what foods to eat. If a person wants a low-salt or low-fat meal, he should be able to get it in any restaurant.

"Consumers need to know that the restaurant industry is interested in promoting good health," she said.

Many nutritionists agree that dieting diners must approach restaurants with a little bit of strategy and a whole lot of common sense. An understanding restaurateur can be an added bonus.

According to Judith Stern, an associate professor of nutrition at the University of California at Davis, a gourmet experience doesn't have to be a diet disaster. "The important point is that dieters must plan ahead and keep their wits about them," she said.

The first step to smart restaurant eating is to study the menu. "Diners must remember that they control how much they order, how it is prepared and what time they eat. If they want the fish just broiled or dressing on the side, they should ask for it," Stern said.

As Nutritionist Robert Reber of the University of Illinois extension service explained, "The dining public must remember that it is what they add to a food that often causes the problems. A 90-calorie baked potato can become a 300-calorie monster very rapidly."

A pat of butter adds 50 calories. A spoon of sour cream adds 57 calories. "Little things—a handful of nuts, a tablespoon of salad dressing—all add up. Dieters must practice moderation at the dinner table," he said.

If a restaurateur is more than willing to oblige such simple requests, he should find return customers no problem. Also, dieters who are served by accommodating waiters and waitresses will be sold on a restaurant far more easily than one where they get nothing but arguments.

In fact, as part of their training, waiters and waitresses can be taught to cater to dieting customers. They should learn to expect questions about the preparation of certain dishes.

As Stern pointed out, "The finer the restaurant, the more the waiter expects to discuss the meal in advance."

She also suggested thinking of a restaurant meal as a

whole; a total calorie intake. That may mean choosing consomme instead of cream soup, a move that could save a diner over 200 calories. Ordering coq au vin rather than tournedos Rossini could save 400 calories, while sole poached in wine instead of seafood Newburg is worth a 300 savings. It's also not a bad way for a restaurateur to look at his menu.

At Jerome's on Chicago's north side, Manager Jan Lucas balances her daily menus with that idea in mind. "If I have a creamy soup on the menu, I make sure the second soup of the day is a light broth base. And if one of the day's specials is especially heavy, I balance it with a salad or vegetable plate."

With a reputation for freshness, the three-year-old restaurant bakes a whole wheat millet bread daily and requires a constant influx of fresh fruits and vegetables. "It can be a hassle," Lucas said, "but it has its payoffs, too. People appreciate *green* green beans, not olive green ones. Freshness of ingredients is the reason the owner opened the restaurant and it has now become our signature."

Such approaches to dining require a flexible restaurant, restaurateur, menu and kitchen staff. The following ideas are simple requests and can be implemented relatively easily:

- Offer plain yogurt with chives as an alternative to sour cream. (A quarter cup of yogurt has only about 30 calories compared to the 115 in a quarter cup of sour cream.)
- Use a note on your menu, at the cash register or on the table advising customers to feel free to ask the waiter or waitress about items on the menu. And indicate that you are willing to help them meet their dietary requirements, if possible.

- Consider inviting a local registered dietitian to chat with the kitchen staff and service people. Suggestions on the type of things people might ask for—or your staff might be able to offer—can be helpful. If a customer is debating the dessert question because of calories, a smart waitress might suggest slices of fresh melon or a dish of berries (sans whipped cream, of course), yet still bring in the dessert dollar.
- Offer salads and salad bars with substantial ingredients such as nuts, avocados, tomatoes, cheese chunks and eggs. Or consider a mix-and-match salad item on the menu—a lettuce base with a choice of toppings.
- If you offer a daily fish special, prepare it broiled. Those who want fried fish can choose from your menu, but the dieters in the group can feel comfortable ordering simple, plain broiled fish.
- Consider offering whole wheat bread and rolls as well as whole grain and bran muffins. Go ahead and use those breads in sandwiches and French toast. They carry more weight and impress customers.
- A shaker of mixed dried herbs and a few wedges of fresh lemon are not only attractive, but also a great topping for salads, vegetables and fish with almost no calories. Try parsley, basil and chives, for example.
- Include a fresh fruit dessert—melon slices, a dish of fresh berries, apple wedges, etc.—in your dessert lineup.

- On large entrees, offer two portion sizes. Or if a customer asks to split an order, offer to divide it in the kitchen.
- If you have a banquet or convention crowd, consider the alternatives to the traditional roast beef-and-mashed potato lunch. Notes Dietitian Lechowich: "A lighter lunch won't bog people down. They will be more alert throughout the afternoon. Also, consider a pick-up buffet instead of a sit-down meal. People who have been sitting through meetings all morning will appreciate the chance to walk more than from one chair to another."
- Consider fresh fruit, cheese platters or yogurt as part of the mid-morning coffee break. Not only is it more varied than coffee and sweet rolls, it's also more nutritious and more attractive.

AT YOUR SERVICE

I am considering adding several new items to my menu. What steps should I follow?

Menu expansion is becoming a popular marketing tool with operators who are attempting to combat both inflation and softened customer counts. By offering a wider selection of items, restaurants can often increase sales, profits and market penetration.

Before adding any new menu item, review the following questions.

1) What potential markets do you want to attract with this item?
2) What positive and/or negative effects will this item have on your present clientele?
3) Will this item fit in with your present theme and decor?
4) Are any equipment purchases necessary for the production of this item?
5) Is the planned menu price in line with your current prices?
6) Will your food and labor costs remain relatively constant?

The strategy behind expansion and development begins with compiling a list of possible additions. First, analyze your present menu, noting which of your current selections are most successful. This can be done in a minimal amount of time. Simply record the order frequency of every menu item at the end of each day. A sample worksheet is included in "Market Research for the Restaurateur" available through the NRA's Educational Materials Department. If you want more detailed information, expand the worksheet to include data for specific meal periods.

Next, review new items being introduced by your competitors. This type of information is usually found in trade journals and newspaper advertisements.

Other sources for new menu ideas are consumer surveys which monitor eating out behavior. CREST (Consumer Reports On Eating Out Share Trends)—a diary panel tracking eating out behavior—reports the order frequency of various food types by demographic characteristics. (Note: a related article on the demographics of menu item selections appears in the "Foodservice Trends" section of this publication.)

Another helpful market survey is Restaurants & Institutions' Annual Menu Census. For this study, operators report 1) best-selling menu items, 2) recent menu additions and deletions and 3) important factors in menu planning.

Once you decide to include a new item, some sample merchandising techniques should be followed. Consider table tents or menu notations to inform customers that the product is now available. Also, be sure staff members are able to answer questions about the dish including how it is prepared, what ingredients are used, what it tastes like and, if appropriate, where it originated. Finally, ask diners for feedback to help you in your future planning.

For additional information on menu expansion, contact the NRA Information Resource Center, 311 First St., N.W., Washington, D.C. 20001.

YOUR ORDER, PLEASE

Have you ever looked over the floor in your dining room and wondered why the salt shakers were empty or a place setting was missing from Table 14? Did you figure out why you can't stop your cocktail waitresses from giving away drinks? Or why the sauce for beef Burgundy tastes sweet on some days and tart on others?

There are always going to be problems in the restaurant business. But the solutions are as close as the NRA bookstore, designed exclusively for members of the foodservice industry. Whether you are opening a new restaurant, training a staff, planning a kitchen, designing a dining room, selecting equipment, coordinating a menu or managing staff, the NRA has books, films and manuals to help you do it right.

A series of information sheets—"Are You Serious About Foodservice"—is available from the Educational Materials Department, offering descriptions of materials for solving typical foodservice problems. This series makes it easy to match the best possible tools with your specific needs. The following subject areas are covered:

- Advertising/Promotions
- Consumer Research/Market Research
- Design/Decor
- Management
- Institutional Foodservice
- Culinary Food Production
- Starting a Restaurant
- Safety
- Employee Selection
- Finance
- Lunch/Salads
- Baking/Desserts
- Inventory Control
- Health/Nutrition
- Fish/Seafood/Meat
- International Control/Security
- Buffets/Catering
- Menu Planning/Pricing
- Equipment, Selection and Maintenance
- Purchasing
- Bar Management

- Accounting
- Energy

Sheets are free to all NRA members. Simply send a listing of desired topics to the Educational Materials Department, 311 First St., N.W., Washington, D.C. 20001.

Of all topics, information on personnel training is in hottest demand. The NRA bookstore stocks two types of materials. Written manuals for trainers and trainees are inexpensive in terms of initial cost, but demand the time of supervisory personnel. Audio-visual programs are becoming increasingly popular due to the ease in which they can be used. Both kinds of materials can also be combined into one full-range training program.

In restaurants that serve wine, a recently published NRA book can help boost sales and profits. *Wine and the Bottom Line* gives a restaurant manager the necessary tools to educate staff on how to "talk" and sell wine. All aspects of wine service are covered, from training sessions to pronunciation.

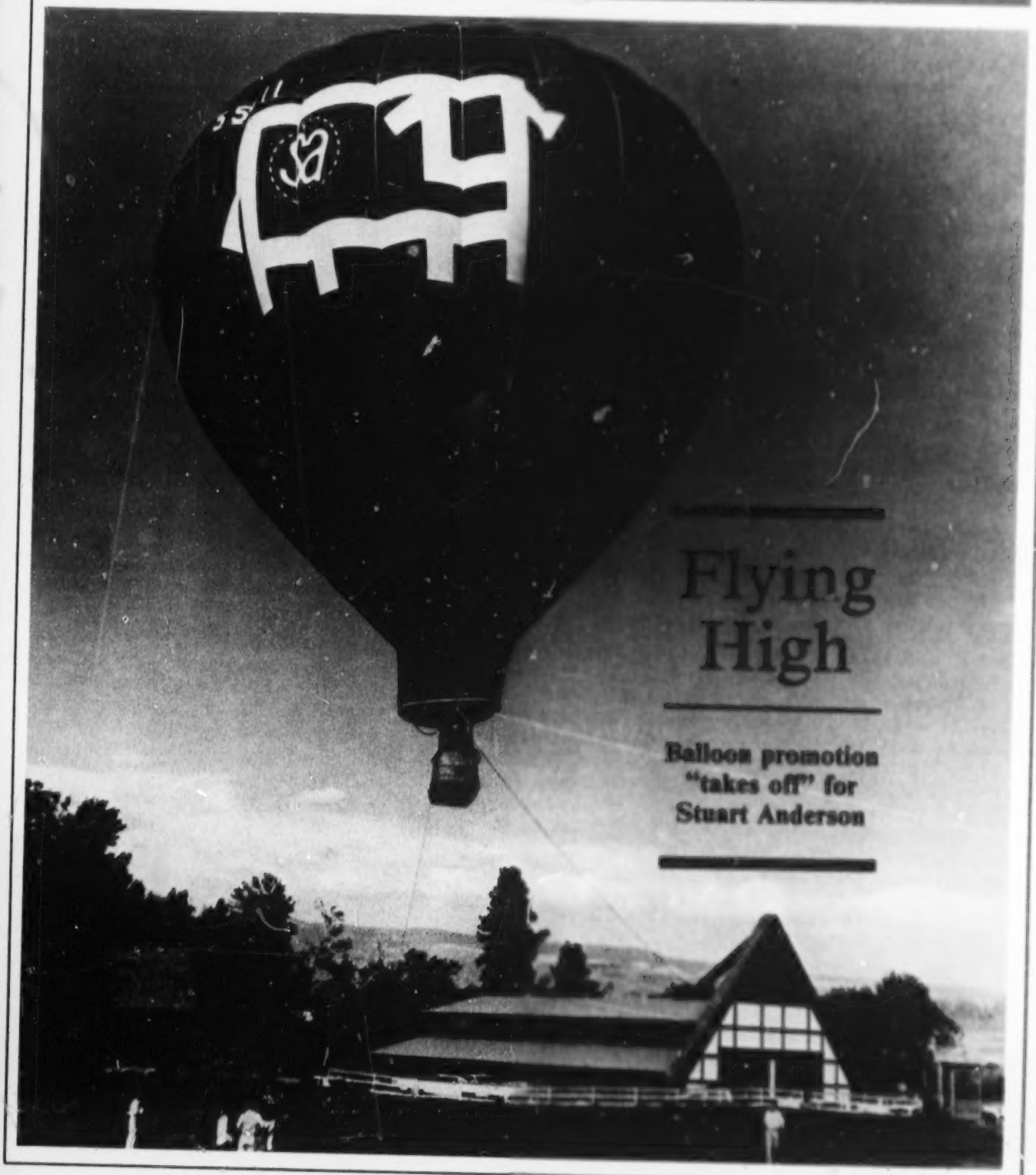
A second important topic to NRA members is accounting. In today's tough economy, operators need to standardize and fine tune their systems. The Educational Materials Department recommends *Uniform Systems of Accounts*, a "bible" in standardized accounting for establishing consistent records. In addition, it is used to train new managers in the methods used to record the income and expenses of the operation.

Still another subject in demand is culinary production and management. Foodservice operators commonly request cookbooks for large quantities, buffets, ethnic specialities, sauces, culinary training, sandwiches, seafood and diet-restricted dishes. Over 50 titles are featured in the NRA bookstore, designed to assist managers and chefs as they develop and modify menu items.

Of the many foods being served in today's restaurants, healthy and light dishes are increasingly more popular. NRA's best-selling *Vegetarian Gourmet Cookbook* is packed with creative menu ideas for cashing in on this important trend. Recipes are simple to prepare, high profit and varied enough to satisfy any clientele.

To order any of the books highlighted in this article, use the enclosed response card. For a complete catalogue of materials or additional information about the NRA bookstore, contact the EMC, 202/638-6100.

TASTEMAKERS



Flying High

Balloon promotion "takes off" for Stuart Anderson

You might think Stuart Anderson would be offended if you said his promotional efforts were full of hot air. Yet the truth is, he'd agree with you. In fact, he's even proud of it.

That's because the Seattle-based Stuart Anderson's Black Angus/Cattle Company chain uses three hot air balloons to represent the spirit of its 73 lunch and dinner houses. And according to Marketing Director Haig Cartozian, the idea "took off" from the very start.

"We were looking for a symbolistic vehicle which was exciting and acceptable for the current trend of today's lifestyle when a proposal was made for sponsorship of a hot air balloon," Cartozian said. "The awareness for the investment was so good we inquired about buying one and starting our own operational program."

In deciding to purchase the balloons, both promotional benefits and the excitement of the sport were considered. "Everyone can enjoy the thrill of ballooning," Cartozian said. "It makes people accept that we, as a company, are full of vitality; that we're young at heart, with a strong spirit of sportsmanship and hospitality.

"And it makes people smile. It rubs off that our restaurants are fun, that you can go to a Black Angus or Cattle Company and have a good time at a price you can afford."

For its first flight, the company selected a grand opening. The balloon—emblazed with Stuart Anderson's familiar square-shaped steer logo—was launched in what Cartozian called "near perfect" weather.

"We just hovered over the Los Angeles freeway, about 300 feet off the ground. It was filmed for national television," he said. "And when we landed in a huge lot, the local fire department was on hand to welcome the crew. It was one of the most successful openings we've ever had," Cartozian added. "We got more publicity on that one event than you could normally buy."

And it's no wonder. Each balloon is 63 feet high and 55 feet in diameter—or as tall as a five-story building and as wide as a basketball court. Fully equipped, the balloon itself costs about $20,000; to operate, about $1,000 per day.

To maximize its investment, the company also flys the balloons at festivals, races, special events and community-sponsored programs throughout the United States and Canada. At the present time, 24 activities are already scheduled for the coming year.

"One of the things we try to do when we appear in a city is to work with a charitable organization and offer rides to the public," Cartozian said. "Since any donations we receive go to charity, everyone benefits. We all have a good time helping others."

Among the groups which have teamed up with Stuart Anderson's are the American Cancer Society, the Lion's Club, the March of Dimes and several children's hospitals.

"Our goal, whenever we fly, is to be part of the community," Cartozian said. "In our industry, where there's so much competition, we must constantly be ahead with a very solid base of confidence and fun."

He's also proud of what Stuart Anderson's restaurants offer the public: a quality product, reasonable prices, warmth and authentic hospitality. Much can be attributed to the service records of the company's more than 6,500 employees—about 50% have been on the job for two years or more.

"Everyone can enjoy the thrill of ballooning. It makes people accept that we, as a company, are full of vitality; that we're young at heart, with a strong spirit of sportsmanship and hospitality."

Why do they stay? "People wouldn't work that long if they didn't feel that the company—and its atmosphere—was what they wanted to do in life," Cartozian explained.

The balloon program helps. "Each time we fly near a restaurant, we'll contact the manager and ask for crew members who would like to assist with the balloon operation. Training is done by our professional team pilots and each participant receives an honorary crew member pin and cap."

The opportunity to be involved does wonders for staff morale, Cartozian continued. "The pins, for example, are cherished items. Employees wear them on their uniforms. It becomes a very important part of their personal achievements."

As for public reaction to a steer-studded balloon flying above their homes, people find the promotion remarkably unique. According to Cartozian, he's seen folks in their bathrobes do everything from providing street directions to helping them land in a golf course.

"One time a lady on the deck of her home was yelling 'Are you giving away free steaks?' as we were flying by. It just tore us up.

"But the essential thing is that they recognize us. They tell us they love our food. And they look at us as an organization that welcomes people who want to enjoy life."

FOOD FOR THOUGHT

Promotional Logic

"One of the keys to effective PR and promotion seems to involve an ongoing philosophy of logic combined with creativity in approach."

By Michael Jays, Director of Public Relations and Promotions
Lettuce Entertain You, Enterprises
Chicago, Ill.

Handling public relations and promotions for a restaurant can be like a personal relationship; you've got to know the difference between doing enough and giving too much. All too often restaurants, in attempting to set up promotions and gain added media attention, suffer from the extremes of overkill versus underachievement. The ideal situation is obviously to strike a happy medium.

One of the keys to effective PR and promotion seems to involve an ongoing philosophy of logic combined with creativity in approach. The image of your operation, as perceived by the public, depends on the genuine nature of what you're promoting. Continued promotions, based solely on an attempt at increased sales or volume, can often be interpreted as a desperate measure by diners. Offering 50% off in honor of Groundhog Day could be dangerous from a PR standpoint, as well as ineffective.

When planning a promotion or public relations campaign, ask yourself the question: "Who will care about what I'm offering?" This seems to be important, not only from the customer's point of view but for media attention. Is the information about your operation really meaningful to the readers of reporters, columnists or reviewers? Putting yourself in the shoes of the editor, who would make the overall decision about a story or item being published, is sometimes very helpful.

Some promotions obviously are more effective than others. In a plan to increase gift certificate sales for Mother's Day a few years ago, Lettuce Entertain You featured posters with an unattractive photo of Joan Crawford, in her later years, with the headline: "Remember Mommie This Mother's Day with a Lettuce Entertain You Gift Certificate." Because of the controversy surrounding the late actress, reaction was surprisingly mixed. Some customers viewed the posters as an insult to motherhood. Others found them humorous, provocative and in line with Lettuce's creative approach.

A good example of a program that captured the public's imagination was the Lettuce Entertain You 10th

Anniversary promotion. The goal was to make the public aware that the restaurant group was to celebrate its 10th anniversary. Lettuce's creative team, headed by President Rich Melman, decided to use outdoor media as one avenue of promotion. Transit advertising on the exteriors of local buses and a downtown billboard was used to make the public an offer in honor of the pending anniversary. The ads, resembling grocery store coupons, stated: "FREE MEAL. If you decide to redeem this coupon and take us up on this offer of a free meal, we'll serve you some good eats and you'll probably serve some time."

The posters were up to 12 feet long weighing 35 pounds, and the billboard (45' x 8') was perched 45 feet in the air. The speculation was that perhaps a few posters might be returned for the free meal. Instead, over 100 of the 225 posters displayed were redeemed for free meals and someone actually made an unsuccessful attempt at removing the giant billboard coupon.

This public reaction prompted a story in the *Chicago Sun-Times* about the promotion. Soon after, the Chicago Bureau of the *Los Angeles Times* ran an article. The Associated Press then decided to cover the story which was published in several newspapers nationally. Radio interviews from different parts of the country and an interview from a London magazine added to the success of the promotion.

Logic, creativity and a meaningfulness to the public seem to be the most important factors to keep in mind in developing a successful public relations and promotional campaign. When you hit on *the* right idea, it should not only satisfy your goal, but also be so appropriate that it will seem to move and develop on its own merit.

Stay away from promoting Groundhog Day.

Is there something about the wide wonderful world of foodservice that you'd like to write about? "Food for Thought" is **your** space, and *NRA News* wants to hear from you. Let us know your opinions and suggestions, your pet peeves and fantasies. One article will be published in every issue and we'll award the author-of the-month $50. Any industry member currently working in or for an NRA-member establishment is eligible. Copy should be 300 to 500 words in length, typewritten and double-spaced. Send articles to *NRA News*, 311 First St., N.W., Washington, D.C. 20001.

SHOWTIME

Looking ahead to May, 1982, several things are certain about the upcoming 63rd annual NRA Restaurant, Hotel-Motel Show: it will feature expanded exhibit space, a new emphasis on kitchen equipment and top-notch culinary excitement.

Over a hundred new companies will exhibit their products on the Concourse (+7) Level of McCormick Place. To draw attention to this new exhibit area, the NRA will construct a working kitchen as the focal point. All through the '82 Show, this demonstration kitchen—enclosed in plexiglass—will be in operation.

In addition, the newest concepts in restaurant design will highlight the NRA Invitation Design Exposition, developed in cooperation with the Foodservice Consultants Society International (FCSI). For the event, entrants will be challenged to create an efficient kitchen in a fixed area (in terms of energy, productivity, cost and space) for a 125-seat restaurant. And, in a surrounding display, designs developed by top industry names will be featured.

According to convention management, the area will be a popular one, as show-goers look for design concepts for their existing kitchens and for restaurants on the planning boards.

More specifically, the NRA kitchen represents an important new service for Dealer attendees. In 1981, a record-breaking 23,100 dealers visited the Show, with the largest dealer category comprised of equipment distributors. Furthermore, results of last year's attendee survey showed almost two-thirds of this group were interested in viewing equipment.

One more group to benefit will be Operator attendees, who will have the opportunity to see both the newest concepts in efficient design and "live" demonstrations by some of the country's finest chefs.

Also featured is the second of three elimination tryouts for the 1984 U.S. Culinary Olympic Team. Chefs earning a gold medal in this trial will then be eligible for selection on the team. Organized in conjunction with the American Culinary Federation, continuous hot food competitions will take place in the NRA kitchen, each six hours long and involving at least four competing chefs.

The terms of the contest provide that participating chefs must first achieve a qualifying score in a cold food competition (entries of which will be displayed in a special section of the regular NRA Culinary Salon). Next, chefs will receive a box of food and have 30 minutes to examine the contents and create a four-course menu. They will then have 5½ hours to prepare that menu for service to judges and special guests, who will be seated in a dining area adjacent to the NRA kitchen.

Leading Chicago-area hotels and restaurants will supply actual table tops from their dining rooms, and professional waiters and waitresses from these establishments will provide the service.

Chefs will be rated by official ACF judges on their use of the food, their cooperative use of the kitchen facilities and the resulting dishes. Invited guests will be asked for comments and the chefs themselves will talk about the effectiveness of the kitchen facilities.

Finally, adding to the full range of culinary excitement, the traditional NRA Culinary Salon will once again be featured, showcasing the talents of chefs from around the world.

For information on 1982 culinary activities, contact the NRA Convention Department, 312/787-2525.

NRA's new demonstration kitchen is one of the many issues discussed at last month's convention committee meeting, led by NRA Convention Chairman Ted Balestreri (right) and Convention Director Tom Corcoran.

EDUCATION

NRA programs meet needs of today's restaurateurs

It's just an average day in the life of a restaurateur. You find out beef prices have just gone up again and you wish you knew more about *controlling food costs.* You wonder if you'd benefit by adding *super salads* to your menu, but you'd need some new recipe ideas; or maybe you should think about *improving food production.* But then you remember that a waiter and a dishwasher quit last night and you'd love to know the secret to *hiring hourly employees.* Is better *dining room management* or *basic supervision* the answer?

The restaurant business is tough and getting tougher. You are serving a more demanding public. You also have to stay on top of the latest, most productive and cost-efficient methods of operation. It means being a manager, an accountant and a negotiator; a menu planner, promoter, designer and salesman.

NRA educational programs can help you fill all those shoes. Over 35 programs were developed with your needs in mind: to save you time, money and hassle. Among the many subject areas covered are menu development, budgeting, baking, facilities planning, supervision, merchandising, catering, labor law, sanitation, employee relations and bar management. In addition, a number of special workshops in such exciting settings as Las Vegas and California's wine country are scheduled throughout the year.

If you've never attended an NRA seminar, you ought to know that

- You can zero in on a specific interest or concern. Qualified instructors get right to the point to ensure your valuable time is well spent.

- Topics are continually updated so seminars cover *today's* most important issues.
- NRA seminars come to you. Programs are currently being held in more than 65 cities throughout the United States and Canada.
- All fees are tax deductible. In addition, there's a special discount for NRA members.
- All programs entitle you to continuing education credit approved by one or more of the following organizations: the American Dietetic Association, the International Foodservice Executive Association and the Hospital Education Institutional Foodservice Society.
- You'll have the opportunity to meet with other industry professionals to share ideas and discuss mutual problems. In fact, most seminar attendees are individuals dedicated to continuing their educational development.
- There are programs geared for many different people in your organization: owners, managers, assistant managers, chefs, bartenders, buyers, designers, caterers and more. (See the accompanying seminar schedule for a listing of topics.)
- You can join NRA's Professional Development Program and receive an engraved plaque for your office. A one-time $30 membership fee entitles you to a seminar title plate each time you attend a program plus an advance notice of coming events.

But maybe the best reasons for attending NRA seminars come from those who have experienced them.

Tom Kershaw, owner of the Hampshire House in Boston, Mass., finds NRA seminars to be both relevant and timely. "They are specific to the industry and 'fine tune' skills which I learned through nine years of trial and error. Still today, they help me in developing my managers," he said.

Kershaw added that the length of

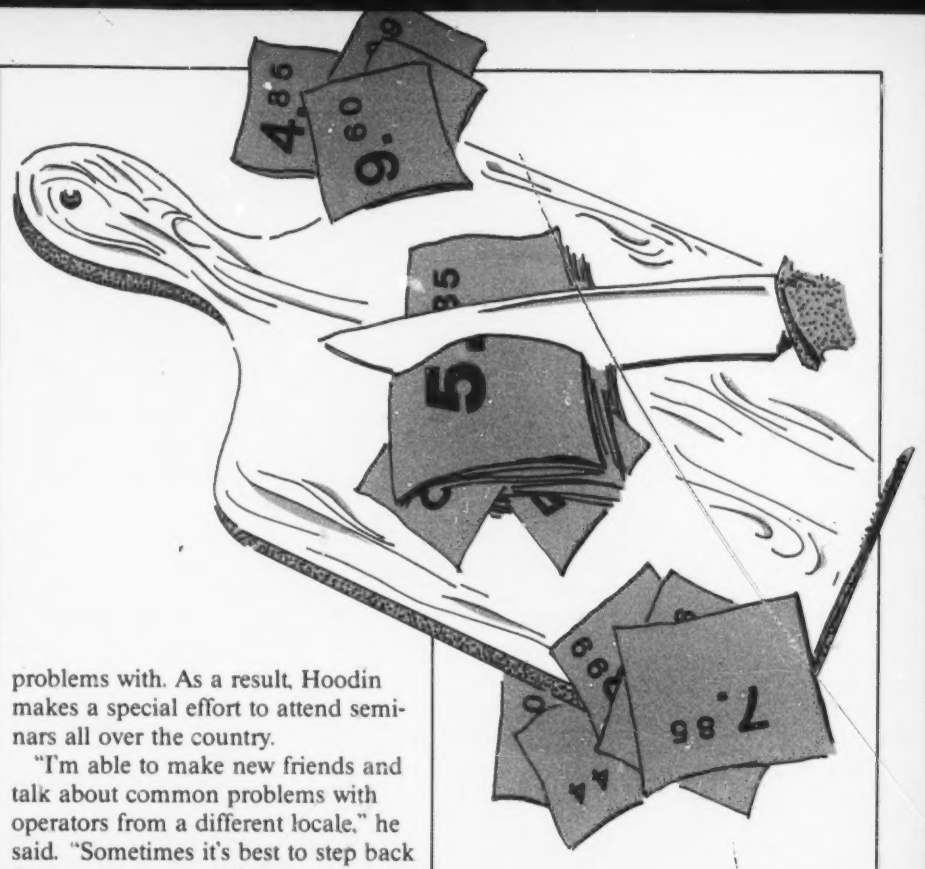
programs are accommodating and that materials provided are ready for immediate implementation. And on one occasion, information learned at a seminar made him realize he did not need a $20,000 piece of equipment he had planned to purchase. Instead, the institution of simple, inexpensive, yet effective controls would achieve the same results.

For David Hoodin, owner of Hoodin's Restaurants in Columbus, Ohio, NRA seminars have helped him throughout his 15 years in the business. "There have always been day-to-day problems I couldn't solve. I never had a formal education in hotel or restaurant management, but NRA programs allow me to take advantage of knowledgeable instructors who are leading industry educators," he said.

"In fact, if you tried to buy the information you get from these seminars, you'd have to pay 10 times as much."

Hoodin also said the role of the independent operator can sometimes be lonely. Often, there's no one in the restaurant to discuss operational problems with. As a result, Hoodin makes a special effort to attend seminars all over the country.

"I'm able to make new friends and talk about common problems with operators from a different locale," he said. "Sometimes it's best to step back from your own establishment and the daily routine to get a fresh outlook."



NRA SEMINAR SCHEDULE

Bar Management
Oct. 26-28 Detroit, MI
Nov. 16-18 Seattle, WA

Menu Development
Oct. 26 Cherry Hill, NJ
Dec. 3 San Francisco, CA

Creative Merchandising Techniques
Oct. 20 Williamsburg, VA
Nov. 2 Bangor, ME
Nov. 17 Toledo, OH

Practical Foodservice Sanitation
Oct. 22 Pasadena, CA
Nov. 12 Manchester, NH
Nov. 30 Irvine, CA

Practical Accounting for Foodservice Managers
Oct. 19 Chicago, IL
Nov. 5 Rochester, NY
Dec. 3 Scottsdale, AZ

Budgeting & Profit Planning
Nov. 2 Washington, DC

Controlling Food Cost
Oct. 26 Boston, MA
Oct. 28 Philadelphia, PA
Nov. 4 Louisville, KY
Nov. 16 Milwaukee, WI
Nov. 18 Minneapolis, MN

Controlling Labor Cost
Oct. 19 San Francisco, CA
Oct. 21 San Diego, CA
Nov. 4 Greensboro, NC
Nov. 16 Cleveland, OH
Nov. 18 Baltimore, MD

Controlling Beverage Cost
Nov. 12 Indianapolis, IN
Dec. 2 San Francisco, CA

Food & Beverage Operations Auditing
Nov. 10 Detroit, MI

Basic Supervision 1
Nov. 3 Hartford, CT
Dec. 1 Williamsburg, VA

Basic Supervision 2
Oct. 27 Scottsdale, AZ
Nov. 10 Cincinnati, OH

Creative Management Workshop
Oct. 26 Wichita, KS
Oct. 28 Dallas, TX

Hiring Hourly Employees
Oct. 19 Toledo, OH
Nov. 9 San Francisco, CA

Performance Review
Nov. 10 San Francisco, CA

Dining Room Management
Oct. 28 Rutland, VT
Nov. 17 Oklahoma City, OK
Nov. 19 Denver, CO

Improving Food Production Methods
Oct. 29 Cleveland, OH
Nov. 9 Kansas City, MO
Nov. 18 Denver, CO

Fish & Seafood
Nov. 11 Chicago, IL

Simplified Baking Workshop
Nov. 5 Atlanta, GA
Dec. 3 Newark, NJ

Soups & Sauces Workshop
Oct. 29 Denver, CO
Nov. 19 Houston, TX
Dec. 1 Irvine, CA

Super Salads
Oct. 21 Detroit, MI
Nov. 12 Pittsburgh, PA

Practical Meat Workshop
Oct. 22 Cincinnati, OH
Nov. 09 Williamsburg, VA
Dec. 2 Newark, NJ

Marketing for Profit
Nov. 30 Honolulu, HI
Dec. 1

Restaurant Design & Facilities Planning
Nov. 30 Chicago, IL
Dec. 1

How to Negotiate & Finance a New Operation
Oct. 19-20 Las Vegas, NV

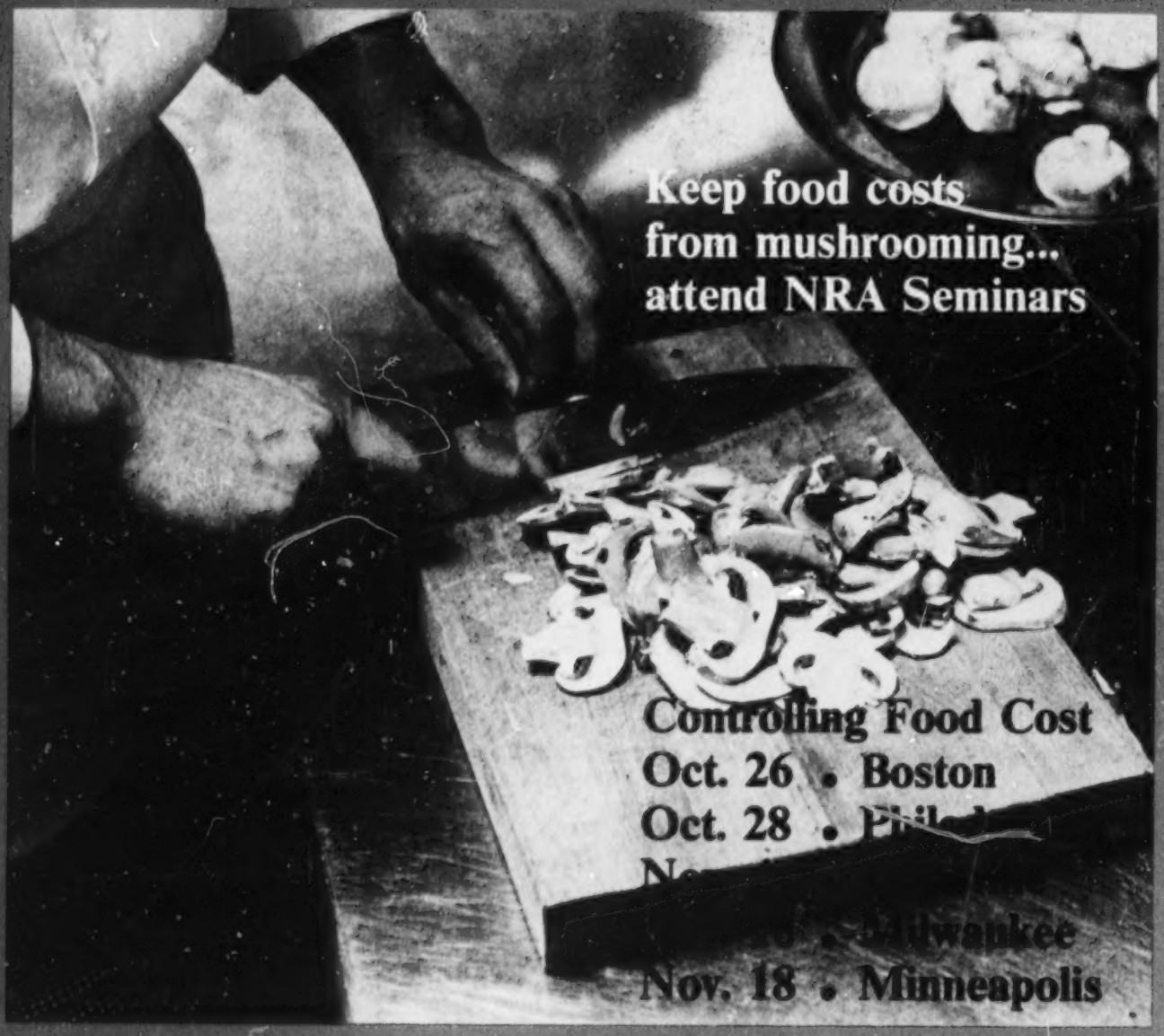
Winning! Labor Law, Negotiations & Unions
Nov. 4-5 Newport Beach, CA

Hiring Managers
Nov. 9-10 Williamsburg, VA

Off-Premise Catering
Nov. 2-3 Seattle, WA
Nov. 16-17 New Orleans, LA

National Conference on Food Purchasing
Nov. 2-4 Chicago, IL

For more information contact:
Sharon Garner-Merrill, Registration Secretary
NRA's Chicago Office 312/787-2525


Keep food costs
from mushrooming...
attend NRA Seminars
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Oct. 26 • Boston
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Nov. 18 • Minneapolis

NRA NEWS

National Restaurant Association

Vol. 1 ☐ No. 2 ☐ November 1981

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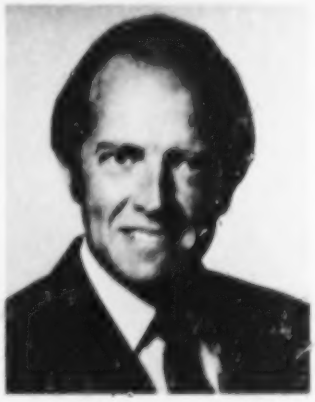
LABOR FORCE 1990

Foodservice industry—America's largest retail employer

Personnel—question



An outline of activities

This second issue of our new publication provides a good outline of the range of activities in which NRA is involved. By combining the *Washington Report*, *Foodservice Trends* and the tabloid *NRA News* into this one publication, we can supply a complete monthly review of a full-service trade association which offers a wide variety of services in education, research and public affairs.

Too often NRA members talk about their association in terms of one activity only. "NRA runs a fantastic show in Chicago every year," one says. "I get to see all the new products of food and equipment suppliers."

Yet another member comments, "NRA runs an excellent education program with seminars, conferences and briefings brought to my area. A new tax law is passed, and immediately they offer a briefing about its effect on me."

Still another member sees NRA as a source of facts and figures which reveal economic trends and changes in eating patterns. "The association is my research department, helping me plan my own marketing activities."

And to another, the association is primarily a lobbying operation. "Thanks to NRA, I'm beginning to see a reduction in regulation," he says. "Someone is representing my interests in Washington."

But NRA is more than just a show, a research and education program or a political voice. It combines all of these activities together. The research division locates the opportunities and problems which will require new educational seminars and qualifies the effect of proposed legislation. The government relations effort is intended to eliminate obstacles to the efficient operations taught in our seminars and measured by our research division.

I could go on illustrating this interaction, but the point should be clear. As NRA Chairman Walter Conti has pointed out, "Our strength is our diversity." I invite you to read this publication carefully to get some sense of the range of NRA activities and then begin to utilize the wide variety of services we offer.

Sincerely,

Robert E. Bradford
President

NRA NEWS

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SHORT ORDERS

Industry internal auditors provide vital function

The second meeting of the industry internal audit group was held in Atlanta, GA on Sept. 17-18, 1981.

Tom Czosnowski of Victoria Station, Larkspur, CA, led a group discussion on functional and line reporting responsibilities of the internal audit department, educational opportunities for internal auditors and auditing of franchise units.

According to Czosnowski, the importance of internal auditors has grown in the past 10 years because most national and regional companies have come to rely on the expertise of their own auditors. "Internal auditors are exposed to a wide range of company policy and procedure which make them prime candidates for promotion to the highest level of management," he added.

The next meeting will be held in Phoenix, AZ, March 11-12, 1981. These meetings are open to internal-audit managers and internal auditors of NRA member companies. For more information contact Philip Kralovec, (312) 787-2525.

NRA expands solicitation list

NRA members may wonder why they receive NRA member solicitation material in the mail. The membership department uses various sources to obtain lists of restaurateurs and foodservice operators who are not members. Before these lists are used for an NRA solicitation, many cross-checks are made in an effort to eliminate current members. Frequently, the lists include restaurant owners' names with no reference to the restaurant name or vice versa. Therefore, names do not always match up with NRA computer lists of current members, so current members names are not deleted from the solicitation list.

The membership department has reduced the number of members who mistakenly receive solicitation mail. But if this should happen to you, please pass along the membership material to a non-member in your area. Help us turn these duplicate mailings into new NRA members.

New NRA training guide to help develop career employees

It takes eight hours to prepare a good pot of beans. Will you spend that much time preparing your new employees? A new NRA publication, *The First Day*, stresses the importance of employee training.

The pamphlet develops a checklist to help restaurant managers and owners guide new employees through the details of what is expected of them and what they can expect from management. "We want people to feel a part of their organization from the day they begin. Through education we hope to develop career people," explained Ernest H. Royal, chairman of the NRA Human Resources Committee, which was responsible for preparing the pamphlet.

Most employees who fail, do so because they don't get enough information from management right from the start, according to recent industry studies. Excessive employee turnover can slow down productivity, increase customer complaints and take up valuable time. The approximate cost to find, place and train each new waitress is $300. To do the same for a cook is

THE FIRST DAY
A CHECKLIST FOR EMPLOYEE ORIENTATION

$2,000, and a management trainee will cost you $3,000 to train.

The First Day will aid management in getting employees off to a good start. The pamphlet will also help managers organize all the subjects which should be covered during a new employee's orientation. Ideally, the new employee will begin by thinking of a job in the restaurant industry as a career.

Copies of *The First Day* can be ordered through the NRA's educational materials department in Washington, D.C. Price is $1.50 each; discounts are available on orders of 12 or more.

NRA sponsors annual menu competition

Entries are now being accepted for the 1982 NRA Great Menu Awards competition. Operators from around the world have already started sending in their entries, which represent all types of foodservice establishments.

Menus will be judged for overall appearance, selling power, readability and originality. The deadline for submitting menus is Mar. 19, 1982. For more information or additional entry

forms, contact Elyse Cuttler at NRA, (202) 638-6100.

Membership insurance plans provide tailor-made coverage

The membership department would like to remind members of the opportunity to apply for coverage under NRA's various insurance plans.

The NRA Group Term Insurance plan offers up to $100,000 in low-cost term life insurance with the added option of a $5,000 policy for your spouse and $2,500 coverage for each of your children. A special yearly discount will bring you even more savings.

The NRA Disability Income Insurance plan is designed for flexibility to meet your individual situations. Members pay only for the coverage they need.

Supplemental group insurance is offered with economical rates to members through the NRA Money In-hospital plan. It will pay $25, $50 or $75 directly to you, depending on the coverage you select, for each day you are hospitalized—up to one year.

For detailed information, contact Albert H. Wohlers and Co., 1500 Higgens Rd., Park Ridge, IL 60068.

Farming—the heartbeat of America

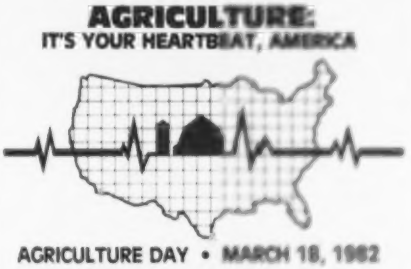
Agriculture Day, billed as a celebration of our nation's largest and most important industry, is scheduled for Mar. 18, 1982.

Coordinated by volunteers from agriculture and agribusiness, Agriculture Day 1982 promotes farming as the nation's heartbeat.

Educational and promotional tools, supplied by the Agriculture Day Foundation, sponsored in part by the Agriculture Council of America, include place mats, an IQ quiz on agricultural products and camera-ready art on farming facts.

The red, white and blue place mats explain that America's 560,000 restaurants are an integral part of the entire food distribution system.

For more information on Agriculture Day, contact the Agriculture Day Foundation, P.O. 23421, Washington, D C 20024.


AGRICULTURE:
IT'S YOUR HEARTBEAT, AMERICA
AGRICULTURE DAY • MARCH 18, 1982
Official theme and symbol for Agriculture Day 1982

Japanese study productivity in U.S. foodservice industry

Even though the Japanese are known as the world's experts in productivity, they are still looking to the U.S. for examples. Twenty foodservice operators from the Japanese Management Association spent 10 days last month touring U.S. institutional foodservice operations.

Large-scale institutional foodservice in Japan is largely done through caterers because the Japanese have been somewhat unsuccessful in turning institutional facilities into customer-oriented operations. According to one of the Japanese visitors, their menus offer little variety. Their productivity levels are also low because food is still prepared in what they referred to as conventional methods—that is, with skilled labor using mostly gas stoves.

NRA sponsored a day-long tour for the Japanese executives of the House of Representatives foodservice facilities. Rep. Ed Jones (D-TN), chairman of the House Administration Committee, which oversees the operations of the House foodservice facilities, hosted a lunch in the Cannon House Office Building for the Japanese before their tour of the House restaurants, cafeterias and take-outs which, combined, serve nearly 17,000 meals a day. Rep. William Dickinson (R-AL) also attended the lunch.

The executives, mostly from hospital, university and industrial foodservice operations, arrived in Washington armed with questions about the size, scope and problems in U.S. organizations.

NRA staff in Washington, including Robert Neville, NRA general counsel; Ruth Tracy, corporate secretary; David French, director of public relations; Jim Rogers, director of state relations and Walter Ashcraft, director of human resources, went along on the House tour led by Ann Walker, manager of the facilities.

During their 10-day visit the Japanese toured the University of Maryland, Bell Telephone Laboratories, Motorola, Inc., University of Indiana and United Airlines.

Although most of the world seems to be taking their productivity cues from the Japanese, an article in the Oct. 19 *Business Week* indicates that the Japanese are indeed keeping a close eye on American business methods. The number of Japanese MBA students studying in the U.S. continues to increase, according to admissions offices at American business schools.

Chef in the U.S. House of Representatives' Longworth cafeteria explains operations of equipment to a member of the Japanese Management Association tour group.

WASHINGTON REPORT

NRA defeats expensive farm bill provisions

Recent lobbying efforts by NRA in Washington have helped reduce federal spending on many costly 1981 Farm Bill provisions. Federal dairy and sugar price support programs, if enlarged or even maintained at their current levels under the new Farm Bill, could substantially increase the price foodservice operators pay for sugar and dairy products. Proposed regulations on imported meat inspection and labeling could nearly cut off foreign meat imports.

The bill is extremely important to the foodservice industry because it will dictate federal policy for agriculture programs for the next four years.

The Farm Bill is revised and reenacted every four years by Congress and although the 1977 Farm Bill expired on Sept. 30, 1981, no 1981 Farm Bill has received final approval. The House and Senate each have separate versions of the bill. A Conference Committee made up of members from the House and Senate Agriculture Committees was expected to settle differences between the two bills as this issue of *NRA News* went to press.

The Senate version of the bill would cost the federal government $10.8 billion over the next four years, while a much more extravagant House version would reportedly cost at least twice that amount. President Reagan is said to be willing to support the Senate version even though it is $1.8 billion over the administration's budget goal.

When Secretary of Agriculture John R. Block initially unveiled the administration's proposed Farm Bill, he made it clear that the administration's two major goals were to reduce federal spending and simplify the present program.

As the 1981 Farm Bill began to take shape on Capitol Hill, Congress questioned the number and scope of farm programs which have been considered institutions. Most farmers realized that their programs were in jeopardy when they witnessed the elimination of the mid-year increase in 1981 dairy price supports last April. NRA supported the price support cutback, agreeing with Congress that government expenditures for this program had reached a point where they were an inflationary burden on the economy. So far, it seems that the April elimination was the first step in a general reduction in costly federal farm programs.

Dairy support levels reduced...

Early this fall, NRA and state restaurant associations, as well as individual members of the restaurant industry, strengthened lobbying activities in an effort to cut back or eliminate expensive farm support programs from the 1981 Farm Bill. One important NRA victory came when the Senate adopted a dairy price support program less expensive than the one now in use.

Why isn't your milk glass full?

The proposed increase in dairy price supports could raise the price of milk by three cents per gallon.

The Senate passed an amendment sponsored by Sen. Roger Jepsen (R-IA) that if enacted will lower the percentage of parity used to determine dairy price support levels. Jepsen's amendment would set prices at 70 percent of parity rather than at the 80 percent level required by a 1979 amendment to the Agricultural Adjustment Act. The Jepsen amendment would also replace the twice-yearly adjustments required by the 1979 law with an annual adjustment. The support level under this amendment could drop below 70 percent if government expenditures are projected to be more than $750 million for a year.

The government is projected to spend more than $2 billion on the dairy program in 1981. Jepsen explained that his measure would save the government $1 billion over the next four-year period.

NRA estimates that the Jepsen amendment would save the foodservice industry from $400 to $600 million through 1985. (See chart for a comparison with other commodities.) Studies show that about 13.2 percent of all restaurant food purchases are for dairy products, including bottled milk, cheese, butter, as well as ice cream, yogurt and cottage cheese. In 1980, milk product purchases cost the industry approximately $7.1 billion.

The House version of the Farm Bill is not as favorable as the Senate bill. Originally it included a dairy price support provision that called for a parity level of not less than 75 percent, with twice-a-year adjustments to maintain that level as long as purchases

did not exceed 5.5 billion pounds of dairy products in one year.

NRA and other food groups made an effort to have the Senate amendment substituted for this expensive House provision. It was introduced by Reps. Paul Findley (R-IL) and Barney Frank (D-MA), but voted down in favor of a compromise amendment introduced by Rep. Berkley Bedell (D-IA). The Bedell amendment to the Farm Bill passed the House easily on Oct. 7 by a vote of 400 to 14.

Though the Bedell language is not NRA-supported, it is still better than the original House version. The Bedell amendment would gradually increase the parity level from 72 to 75 percent within the four years, but more important it would eliminate the twice-yearly adjustments and require that parity never exceed 75 percent. Under the proposal, parity could drop as low as 70 percent, if the amount of milk purchased by the government exceeds 3.5 billion pounds in a given year.

House dumps sugar provision...

Both the House and Senate bills originally included provisions for creating a new loan program that would support raw sugar on the farm at 19.6 cents per pound. Under the 1977 Farm Bill, there was no loan program for domestic sugar growers who under existing conditions have maintained their market share against imports.

Vigorously opposed by NRA and many consumer groups, a sugar loan program could cost consumers as much as $3 billion in 1982. The restaurant industry could pay an additional $240 to $300 million. NRA estimates the foodservice industry used 10 to 11 percent of the total U.S. sugar consumed in 1980.

NRA joined other food and consumer groups in lobbying against this program in the House. An NRA-supported amendment introduced by Reps. Peter Peyser (D-NY) and Margaret Heckler (R-MA) called for the elimination of the entire sugar provision. This amendment passed by a narrow margin—213 to 190.

Unfortunately, on the Senate side, sugar growers prevailed. Although the Senate lowered the loan program, it adopted language that would provide for a substantial program beginning Oct. 1, 1982. Under the program, raw sugar would be supported on the farm at 18 cents per pound, rising each year in increments of half a cent to 19.5 cents in 1985.

During the debate on the sugar program in the Senate, two unsuccessful attempts were made to make the program less expensive to consumers. Sens. Dan Quayle (R-IN) and Paul Tsongas (D-MA) offered an amendment to delete the sugar program entirely. The amendment was tabled 61 to 33. Sen. Gordon Humphrey (R-NH) offered an amendment which would have set the floor at 16.5 cents per pound. This amendment was also tabled by a vote of 64 to 30, and the House and Senate were left with two extremely different versions regarding sugar programs.

Labeling requirements for imported meat dropped...

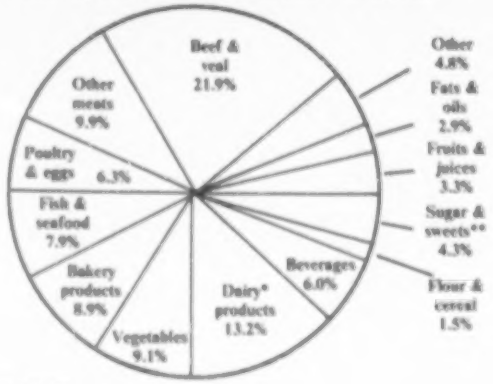
Restrictive legislation introduced in both the House and Senate that would have required labeling of imported meat was not adopted as part of the Farm Bill. NRA and the U.S. Department of Agriculture (USDA) opposed bills introduced by Sens. Max Baucus (D-MT) and Larry Pressler (R-SD) and by Reps. Bedell and Thomas Daschle (D-SD) that would have required products made from imported meat, including hamburgers and hot dogs served in restaurants, to be labeled imported. Restaurants would have had to post signs or indicate on their menus that imported meat was served on their premises. Fines up to $100 per day could have been imposed if they did not comply.

NRA lobbied hard against this issue, noting that such provisions would be costly, unnecessary and nearly impossible to implement. The South Dakota Restaurant Association was able to persuade Rep. Daschle to exempt restaurants from labeling requirements in his measure.

Although these labeling provisions were not amended into either the House or Senate Farm Bill, both houses did pass amendments that would stiffen inspection standards for imported meat. These amendments could, if enacted, significantly curtail meat imports to the U.S.

The Senate's imported meat amendment, introduced by Sen. John Melcher (D-MT), passed by a voice vote on Sept. 17. The Senate measure—more restrictive than the one eventually passed in the House—would not allow importation of products that have been produced using agricultural chemicals, animal drugs, or medicated feeds which are not currently approved for the

How the operator's food dollar is spent



Source: *The Food Service Industry*, USDA

*Note: Butter is included with dairy products rather than fats and oils.

**Note: Sugar and sweets includes direct use of all sweeteners. The foodservice industry is estimated to use 300,000 tons of *sugar* (direct) and 800,000 tons of *sugar* (indirect in baked goods, dairy products, beverages and soft drinks). It is estimated that the foodservice industry used 10 to 11 percent of total U.S. *sugar* consumed (direct and indirect) in the U.S. during 1980.

same use in the U.S.

NRA opposes this amendment, which according to the USDA, would virtually eliminate all meat imports. The amendment assumes that all agricultural chemicals, pesticides and animal drugs not approved for use in the U.S. are public health hazards. However, USDA explains that this is not the case since foreign growing climates, agricultural techniques and economic conditions may require the use of chemicals not needed or used in the U.S.

The Senate amendment also would constitute a non-tariff trade barrier and could result in other countries establishing similar barriers against U.S. exports.

According to USDA, these new restrictions are not needed. Current laws already require that foreign countries with plants preparing meat for export to the U.S. maintain an inspection program at least equal to that established under U.S. laws and regulations. USDA administers a comprehensive inspection program that includes on-site inspections at foreign plants and at port-of-entry.

This measure passed by the Senate would have a detrimental affect on the restaurant industry. If all imports are eliminated, beef prices could be expected to rise by nine percent and hamburger prices by 25 percent in the first year.

In 1980, the United States imported $2.3 billion worth of meat and meat products, or about seven percent of the total U.S. meat supply. Of that total amount, beef imports accounted for $1.8 billion, pork imports for $486 million and other meats for $75 million. About half the amount of imported meat is used in the manufacture of processed foods such as hamburgers, hot dogs and bologna.

In the House, a measure similar to the Melcher amendment, introduced by Rep. Glenn English (D-OK), was passed by a vote of 211 to 168. NRA also opposed this amendment, as did USDA.

The English amendment is slightly less restrictive than the Senate version, and it alleviates some of the concerns expressed about the Melcher amendment. However, it still would restrict the importation of foreign meat.

The December issue of *NRA News* will cover the outcome of the House/Senate Conference Committee on the 1981 Farm Bill.

Energy tax credit may act as energy saving incentive

The foodservice industry will be able to claim up to 20 percent in tax credits for installing energy-efficient equipment if the NRA-supported commercial tax credit act passes Congress.

The Commercial Business Energy Tax Credit Act of 1981 (S. 1288) was introduced in the Senate by Sen. David Durenberger (R-MI) and recently in the House by Rep. Wyche Fowler (D-GA).

NRA member Fred Krautkramer, owner of Boder's on the River in Mequon, WI, testified on Oct. 19 before the Senate Finance Subcommitte on Energy and Agricultural Taxation, explaining that the bill will increase conservation and reduce energy costs for restaurants and other small commercial businesses.

Krautkramer appeared before Senate members as part of a panel of commercial energy users. Also on the panel were representatives from the American Hotel and Motel Association and the Food Marketing Institute.

An electrical engineer, as well as a restaurant operator, Krautkramer explained to the subcommittee that his small restaurant uses as much electricity as a neighboring 70-home subdivision. His own energy conservation efforts have lowered energy use per customer by 30 percent at a cost of $6,000 while achieving savings double that in four years.

Krautkramer, the third-generation owner of the 52-year-old restaurant, told the Senate panel, "Taking my one small establishment as an example, there is a great deal of energy to be saved in the commercial sector. The foodservice industry alone is estimated to use two percent of the nation's energy. If we figure a 20 percent savings factor under S. 1288, the foodservice industry could save the equivalent of approximately 60 million barrels of oil annually."

If the act becomes law, the commercial sector could take a 20 percent tax credit for the purchase of energy-saving equipment.

The bill would provide investment-type tax credits for purchase of numerous energy-saving devices, such as insulation, energy management systems, energy redistribution systems, improved refrigeration and other energy-efficient foodservice equipment.

An economic analysis of the bill shows that its adoption would save approximately 715 million barrels of oil equivalent over the life of the bill, increase annual investment in energy conserving equipment by 30 percent and provide an annual credit to businesses of about $1.6 billion while providing the federal government $895 million in new revenue each year. At today's prices, the restaurant industry alone could shave $1.5 billion a year from its $7 billion annual utility bill.

Congress has already provided energy tax credits to the residential and industrial sectors but has neglected to do the same for the commercial sector, which consumes about 16 percent of all energy used in the U.S.

NRA member Fred Krautkramer testified in support of the commercial energy tax credit bill before a Senate Finance Subcommittee. Krautkramer is an independent restaurant owner and an electrical engineer.